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LEGISLATIVE HISTORY
Public Law 85-418
H. R. 2151

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Index and summary of H. R. 2151

Jan.	3, 1957	Rep. Harrison, Va., introduced H. R. 656 which was referred to the House Ways and Means Committee. Print of bill as introduced.
Jan.	7, 1957	Rep. Harrison, Va., introduced H. R. 2151 which was referred to the House Ways and Means Committee. Print of bill as introduced.
July	22, 1957	House committee ordered H. R. 2151 reported with amendment.
July	31, 1957	House committee reported H. R. 2151 with amendments. H. Report No. 953. Print of bill and report.
Jan.	30, 1958	Rules Committee reported resolution for consideration of H.R. 2151. H. Res. 460, H. Rept. No. 1314. Print of resolution and report.
Feb.	4, 1958	House passed H. R. 2151 as reported.
Feb.	5, 1958	H. R. 2151 was referred to the Senate Finance Committee. Print of bill as referred.
Apr.	28, 1958	Senate committee reported H. R. 2151 with amendments. S. Report No. 1490. Print of bill and report.
May	1, 1958	Senate passed H. R. 2151 as reported.
May	5, 1958	House agreed to Senate amendments to H. R. 2151.
May	19, 1958	Approved: Public Law 85-418.

DIGEST OF PUBLIC LAW 85-418

FREE IMPORTATION OF CERTAIN COARSE WOOL. Amends the Tariff Act of 1930 so as to add, until June 30, 1960, to the wools now permitted duty-free importation under bond wools finer than 40s but not finer than 46s for use in the manufacture of rugs and carpets and certain other products, and to provide that a tolerance of not more than 10 percent of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s. Extends until January 1, 1959, the date for the submission of the United States Tariff Commission report on its comprehensive study of tariff classification laws pursuant to Section 101 of the Customs Simplification Act of 1954, as amended.

85TH CONGRESS
1ST SESSION

H. R. 656

IN THE HOUSE OF REPRESENTATIVES

JANUARY 3, 1957

Mr. HARRISON of Virginia introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend certain provisions of the Tariff Act of 1930 relative to import duties on wool.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of paragraph 1101 (b) of the Tariff
4 Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101
5 (b)) is amended—

6 (1) by inserting after the word “foregoing” the
7 following: “and all other wools of whatever blood or
8 origin not finer than 46s, and hair provided for in para-
9 graph 1102 (b)”; and

10 (2) by inserting before the period at the end thereof
11 a colon and the following: “*Provided, That a tolerance*

1 of not more than 10 per centum of wools not finer than
2 48s may be allowed in each bale or package of wools
3 imported as not finer than 46s''.

4 SEC. 2. The amendments made by this Act shall apply
5 with respect to wool and hair entered, or withdrawn from
6 warehouse, for consumption, on or after the sixtieth day
7 after the date of the enactment of this Act, and shall apply
8 with respect to wool and hair under bond on or after the
9 sixtieth day after the date of enactment of this Act.

85TH CONGRESS
1ST Session

H. R. 656

A BILL

To amend certain provisions of the Tariff Act
of 1930 relative to import duties on wool.

By Mr. HARRISON of Virginia

JANUARY 3, 1957

Referred to the Committee on Ways and Means

85TH CONGRESS
1ST SESSION

H. R. 2151

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1957

Mr. HARRISON of Virginia introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of paragraph 1101 (b) of the Tariff
4 Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101
5 (b)) is amended—

6 (1) by inserting after the word “foregoing” the
7 following: “and all other wools of whatever blood or
8 origin not finer than 46s”; and

9 (2) by inserting before the period at the end
10 thereon a colon and the following: “*Provided, That a*
11 tolerance of not more than 10 per centum of wools not

1 finer than 48s may be allowed in each bale or package
2 of wools imported as not finer than 46s”.

3 SEC. 2. The amendments made by this Act shall apply
4 with respect to wool entered, or withdrawn from warehouse,
5 for consumption, on or after the sixtieth day after the date
6 of the enactment of this Act, and shall apply with respect
7 to wool under bond on or after the sixtieth day after the
8 date of the enactment of this Act.

85TH CONGRESS
1ST Session

H. R. 2151

A BILL

To amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool.

By Mr. HARRISON of Virginia

JANUARY 7, 1957

Referred to the Committee on Ways and Means

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 23, 1957
For actions of July 22, 1957
85th-1st, No. 129

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HIGHLIGHTS: Rep. Hagen urged transfer of certain work under Packers and Stockyards Act to FTC.

HOUSE

1. MEATPACKERS. Rep. Hagen spoke in favor of the passage of legislation to transfer certain work under the Packers and Stockyards Act from this Department to the Federal Trade Commission, and inserted the testimony of Sen. Watkins before the House Agriculture Committee supporting this transfer of work. pp. 11203-8
2. FOREIGN TRADE; SURPLUS COMMODITIES. Both Houses received from the President the semiannual report on activities under Public Law 480. pp. 11091, 11155
The Ways and Means Committee ordered reported with amendment H. R. 2151, to permit the duty-free importation of certain wools (not finer than the 46's) for carpets and other specific uses. p. D679
3. FOREIGN AID. Conferees were appointed on S. 2130, the mutual security authorization bill. Senate conferees have not yet been appointed. p. 11155
4. CIVIL DEFENSE. Rep. Huddleston called for a "more vigorous civil defense program" on a national level, particularly in regard to protective bomb shelters. pp. 11200-1
The Government Operations Committee issued a report on the "status of civil-defense legislation." p. 11216
5. VIRGIN ISLANDS. The Government Operations Committee issued a report on the operations of the Virgin Islands Government and the Virgin Islands Corporation. p. 11216

6. PERSONNEL. A subcommittee of the Post Office and Civil Service Committee ordered reported with amendment S. 1740, to authorize the payment from the Employees' Life Insurance Fund of expenses incurred by the CSC in assuming and maintaining the assets and liabilities of certain beneficial associations. p. D679

SENATE

7. TRAVEL; LEAVE. The Post Office and Civil Service Committee reported with amendment S. 1903, to authorize travel expenses for overseas employees (S. Rept. 694). p. 11092
8. CENSUS. The Post Office and Civil Service Committee reported with amendments S. 1631, to amend generally the census laws (S. Rept. 698). p. 11092
9. BUDGET. Sen. Symington discussed "the incredible irresponsibility of this administration in matters pertaining to our common defense," and inserted a column on the administration's handling of the defense budget and a list of 17 "unbelievably conflicting statements about the defense budget." pp. 11108-9
10. TOBACCO. Sen. Bennett defended his proposal that a warning label be placed on each package of cigarettes (S. 2554), and inserted an interview with the Director of the National Cancer Institute on the relation of lung cancer to smoking. pp. 11118-9
11. FARM SAFETY. Sen. Carlson announced the beginning of National Farm Safety Week and inserted the President's proclamation. pp. 11119-20
12. HOUSING LOANS. Sen. Humphrey inserted articles on the decline in housing starts and its relation to the present monetary policy, and on the public debt and increasing payments for interest rates. pp. 11125-7
13. EDUCATIONAL EXCHANGE. Sen. Smith, N. J., commended the international exchange of high school students by the American Field Service. pp. 11097-8
14. FOREIGN AID. Sen. Smith, N. J., inserted two editorials expressing "anxiety" about the effect of House foreign aid cuts on the security of the U. S. p. 11098
15. WATER RESOURCES. Sens. Goldwater and Kuchel debated Los Angeles' request for authority to build Bridge Canyon Dam in the Grand Canyon, and inserted editorials and an explanatory statement from Los Angeles. pp. 11102-4

ITEMS IN APPENDIX

16. SMALL BUSINESS. Sen. Capehart inserted excerpts from hearings before the Senate Banking and Currency Committee with reference to proposed legislation affecting the Small Business Administration. pp. A5867-8
17. TVA. Rep. Johnson, Wis., inserted an editorial, "Don't Hamstring TVA," commenting on the significance of the appointment of Arnold B. Jones as a Director of the TVA. pp. A5899-900
18. FAMILY FARMS. Rep. Knutson inserted a letter on the "plight of the family farmer under this administration," addressed by one of her constituents to the President. pp. A5905-6
19. APPROPRIATIONS. Rep. Merrow inserted an article, "The Gallup Poll: Item Veto in Appropriations Bills Favored by 60 Percent in Survey." p. A5907

July 31, 1957

15. WOOL. The Ways and Means Committee reported with amendments H.R. 2151, to amend the Tariff Act of 1930 to permit the duty-free importation of certain coarse wools (not finer than the 46's) for carpets and other specific uses (H. Rept. 953). p. 12001
16. BUDGETING. Rep. Curtis, Mo., defended the Hoover Commission recommendations against recent criticism, and spoke on the advantages of H.R. 8002, to provide for the stating of appropriation estimates on an accrued expenditure basis. pp. 11993-95
17. TRANSPORTATION. The Interstate and Foreign Commerce Committee ordered reported H.R. 8825, to revise the definition of contract carrier by motor vehicle as set forth in Sec. 203 (a) (15) of the Interstate Commerce Act. p. D714
18. TOBACCO. Received a Wisc. Coop. Tobacco Growers Assoc. resolution protesting any reduction in import duties on Habana filler tobacco or Cuban cigars. p. 12002

ITEMS IN APPENDIX

19. WATER RESOURCES. Sen. Johnson stated that the floods and drought in Tex. this year have pointed up the need for "Texas to catch up with other States in development and conservation of its water resources." p. A6165
20. BUDGETING. Rep. Evins stated that "H.R. 8002, the so-called accrued Federal expenditures budget bill, will not accomplish the claims made for it," and inserted a letter to his constituents explaining the effects of the bill. pp. A6179-80
Rep. Boland inserted several editorials favoring this bill. pp. A6225-6
21. BUILDINGS. Extension of remarks of Rep. Thompson, N.J., in support of "ways and means for building better and more efficient public buildings," and stating that "I have been concerned, as have others, about the lack of any building under the lease-purchase program." pp. A6183-6
22. PERSONNEL. Rep. King stated that "...it is most essential, in my opinion, that this session of Congress grant a substantial increase in pay to our Federal classified employees." p. A6198
23. RECLAMATION. Rep. Chudoff stated that Interior Secretary Seaton "has made the decision to reject the proposed Kings River repayment contract, with its convenient escape hatch for all excess-land owners, and to uphold the letter and the spirit of the long-established acreage limitation provisions of the reclamation law." pp. A6199-700
24. FOREIGN AID. Speech in the House of Rep. Judd during the debate on the mutual security authorization bill in which he stated that "just to cut the program will not save money. To improve it, make it successful, will save money." pp. A6201-5
25. FEDERAL AID. Sen. Dirksen inserted an Ill. Legislature resolution favoring a review and reassessment of all present grant-in-aid programs. p. A6205
26. SOIL CONSERVATION. Rep. Avery commended Asst. Secretary Peterson's leadership and efforts in conservation programs and stated "the farmers in my district in northeast Kansas are enjoying great benefits from Mr. Peterson's constructive policy of emphasizing permanent conservation practices." p. A6211

27. SMALL BUSINESS. Rep. Hill inserted an article endorsing the extension of the Small Business Administration. pp. A6211-2
28. DISASTER RELIEF. Rep. Rogers urged that Mass. be declared a disaster area because of the intense drought and inserted a letter on this subject. pp. A6214-5
29. FARM PRICES. Rep. Knutson inserted a constituent's letter urging that something be done to encourage farm folk. to keep going and stating "it is heartbreaking to see so many neighbors and friends leaving because the farm prices are so low." p. A6215
30. FAMILY FARM. Rep. Kitchin inserted an article, "J. M. McGougans Named One of North Carolina 'Master Farm Families.'" pp. A6217-8
31. PUBLIC DEBT. Rep. Fulton inserted an article, "Debt Less Burdensome, Burgess Tells Congress," discussing the current situation of debt in the U.S. in relation to the gross national income. p. A6225

BILLS INTRODUCED

32. ATOMIC ENERGY. S. 2674, by Sen. Anderson, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended; to Joint Committee on Atomic Energy.
H.R. 8996, by Rep. Durham, to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended; to Joint Committee on Atomic Energy.
33. FLOOD CONTROL. H.R. 8979, by Rep. McIntosh, to provide for the expiration of certain authorizations by the Congress for projects for flood control or river and harbor improvements; to Public Works Committee.
34. EMPLOYMENT. H.R. 8982, by Rep. O'Hara, Ill., and H.R. 8991, by Rep. Widnall, to prohibit unjust discrimination in employment because of age; to Education and Labor Committee.

BILL APPROVED BY THE PRESIDENT

35. FORESTRY. S. 44, to authorize the exchange of 79.34 acres of land under the jurisdiction of the Forest Service for 40 acres of private lands within the Apache National Forest, N. Mex.. Approved July 24, 1957 (Private Law 85-68, 85th Congress).

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COMMITTEE HEARING ANNOUNCEMENTS:

- Aug. 1: Transfer of certain functions under Packers and Stockyards Act to FTC, H. Agriculture. Study of political activities under Hatch Act, H. Administration (employee organizations to testify). Importation of coarse wool, H. Rules.
- Aug. 6: Paarlberg nomination, S. Agriculture.

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TEMPORARY SUSPENSION OF IMPORT DUTIES ON CERTAIN COARSE WOOL

JULY 31, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HARRISON of Virginia, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H. R. 2151]

The Committee on Ways and Means, to whom was referred the bill (H. R. 2151) to amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, line 10, strike out "thereon" and insert "thereof".

Page 2, strike out lines 3 through 8, inclusive, and insert in lieu thereof the following:

SEC. 2. The amendments made by this Act shall be effective only with respect to wool entered, or withdrawn from warehouse, for consumption, during the three-year period beginning on the sixtieth day after the date of the enactment of this Act.

Amend the title so as to read:

A bill to suspend for three years the import duties on certain coarse wool.

GENERAL STATEMENT

The purpose of H. R. 2151, as amended, is to suspend for a period of 3 years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets and certain other products. Your committee's bill arises out of the need of the domestic carpet industry for additional supplies of imported coarse wools at competitive world prices so as to enable the domestic carpet industry

to compete more successfully with foreign producers of carpets in the American market.

Present law and proposed changes

Paragraph 1101 (b) of the Tariff Act of 1930, as amended, presently provides for free entry under bond of imports of certain wools and animal hair for use in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy-fulled lumbermen's sox, rugs, carpets, or any other floor coverings. The imported wools for which such free entry is now provided are those which, if imported for use in other products than those specified, are dutiable under paragraph 1101 (a) of the Tariff Act of 1930. These wools consist of so-called unimproved wools and other (improved) wool not finer than 40s and camel's hair. The so-called unimproved wools are those from sheep which are native to certain regions and which have not been improved through crossbreedings with Merino or English sheep. Other wool not finer than 40s are the coarser grades obtained from crossbred sheep.

The amendment of paragraph 1101 (b) that would be made by H. R. 2151, as reported, would, for a period of 3 years, add to the wools now permitted duty-free importation under bond for the specified uses, wools finer than 40s but not finer than 46s. The amendment would include a proviso that a tolerance of not more than 10 percent of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s. This proviso is in accord with the present "tolerance provisions" where fineness of imported wools is relevant to their classification for customs purposes.

Need for legislation

Congress intended paragraph 1101 (b) to provide the domestic carpet industry with duty-free access to foreign supplies of the types of wool that the industry would be likely to use. Congress further recognized this when they exempted the carpet industry from the added protection of a specific duty on carpets which is given to all other domestic industries which pay duty on imported wool.

Prior to World War II the world supply of carpet wools, through the importation of name wools and coarse grades up to 40s, was sufficient to meet the needs of the domestic carpet industry. However, a number of developments since World War II resulted in restricting the availability of the necessary wool to our domestic carpet industry, so that for the past several years and at the present time our domestic industry has been and is faced not only with inability to obtain the necessary supplies but also with mounting imports of carpets of foreign manufacture. Developments arising out of and following World War II disrupted United States trade with former sources of supply, particularly Communist China and Tibet. Section 5 (b) of the Trading With the Enemy Act, as amended, contains the basic authority under which imports from Communist China and the U. S. S. R. are banned. Also, some of the countries that have been important producers of unimproved wools have taken measures to restrict their wool exports with a view to conserving the supplies for their own domestic industries. Practically all countries which have wool industries have made attempts to improve their breeds of sheep with the result that there has been an overall trend toward the finer wools, which are not coarse or resilient enough for carpet and rug manufacture and which trend further continues to reduce the available supply of carpet grade wools.

The volume of unimproved wools entering international trade has been much smaller than consumption. The worldwide shortage of carpet grade wools has forced manufacturers in other countries to utilize wools finer than 40s, notably in the 40s-46s range. Information presented to your committee indicates these grades of wool are not as satisfactory as the coarser grade but they are being used by foreign manufacturers, particularly in Belgium, England, Japan, France, and certain other countries, and thus provide a decided advantage to those carpet industries over the United States carpet industry in the American market. In fact it has been accompanied by increased imports of foreign-made carpets into the United States.

In short, convincing evidence has been presented to your committee that the domestic carpet industry is faced with a squeeze, which has placed it in a very adverse position competitively since, on the one hand, it cannot obtain economically the raw wool supplies which it needs in order to compete and on the other hand, it faces increasing competition in its finished wool carpets from countries in which the carpet manufacturers can obtain less expensive raw wool and thereby produce such carpets at a lower cost. In the absence of removal of the duty on carpet-grade wools as provided for in your committee's bill, foreign carpet manufacturers will continue to enjoy a competitive advantage over domestic carpet producers with the result that United States consumption of wool carpets will become substantially carpets of foreign manufacture.

Carpet wool not available domestically

Your committee has very carefully considered the contention that enactment of H. R. 2151 might result eventually in injuring the domestic wool industry, and has found this contention to be without factual foundation. Domestic production of wools suitable for carpet use is so slight as to be practically nonexistent, and your committee has received evidence that the domestic carpet industry has never found even the negligible amounts produced here suitable for carpet use. The very small production of unimproved wools has been largely on Indian reservations where the wool has been used in making Indian blankets and other handicraft products, thus practically no unimproved wools from domestic sources enter commercial channels. There has also been only very small domestic production of the coarsest-improved wools (wool not finer than 40s) and the domestic production of wool finer than 40s but not finer than 46s though somewhat larger is still negligible relative to the total production of wool of all grades. Also the domestic production of these wools is extremely slight compared to domestic consumption of such wools.

Moreover, unimproved wools and coarser improved wools are not used exclusively in the manufacture of carpets and the other products named in paragraph 1101 (b). Your committee has received information that domestic consumption of wool for these other products also far exceeds domestic production. This imbalance in supply and demand indicates that for such small domestic production of these wools as does exist there is a fully protected market—certainly under all conceivable conditions for the next 3 years, the period covered by H. R. 2151. It also should be noted that wool admitted under H. R. 2151 must be used for carpets, since it is admitted under bond for that purpose and cannot be diverted to other uses without payment of duty.

The Department of Agriculture indicates that while there would be no immediate effect, the enactment of H. R. 2151 might eventually operate to the detriment of the domestic wool producers if it should be made permanent legislation. Your committee is of the opinion that domestic wool producers will not be adversely affected by enactment of the bill, certainly with an effectiveness of 3 years only. First, as has been indicated, there is, for all practicable purposes no domestic production of these wools. It is pertinent to note here an article by an official of the United States Department of Agriculture which appeared in an official publication of the Department entitled "Foreign Agriculture," July 1957. This article states:

An increasingly large proportion of agricultural imports into the United States has consisted of products not produced in commercial quantities in the United States. These are the so-called complementary products. We import these because several million Americans are looking for a hot cup of coffee first thing when they get up in the morning. And while we're still at breakfast. Junior is probably having sliced bananas on his cereal. Cocoa, spices, raw silk, *carpet wool*, and rubber are other important examples of complementary agricultural imports. [*Italic supplied.*]

In conjunction with this statement it should also be pointed out that the official report of the Department of Agriculture on the bill does not assert carpet wools are produced in any quantity in the United States.

Second, there is already a domestic market, arising from other than the carpet industry, for the grades of wools concerned, and this domestic market demand far exceeds the very small domestic production of these grades of wool. Third, information presented to your committee indicates that even though substantial domestic production of these wools should become available, this production could not be utilized by the domestic carpet industry since experimental use of domestic production has indicated that it is not suitable for carpet use. Fourth, the wool concerned is brought in under bond and can be used only for carpet purposes, and, fifth, your committee has added an amendment to the bill so as to merely suspend the duty for 3 years rather than to repeal the duty. In view of all these factors and safeguards, your committee is firmly convinced that there is no way in which enactment of H. R. 2151, as amended, could result in injury to our domestic wool producers.

No discrimination against other importers

It has been contended that enactment of H. R. 2151 will result in discrimination as between the domestic carpet industry and other domestic industries which consume wool. Many American industries use these wools on a duty-paid basis but the only industry which has raised any question in this connection is the papermaker felt industry. Interestingly enough, while, as indicated above, the domestic wool producers have expressed the fear that enactment of H. R. 2151 will depress domestic wool prices, the papermaker felt industry has taken the position that enactment of the bill will increase the prices of wool which they buy and thus will discriminate against them. Obviously, both could not happen. Your committee is of the opinion that neither contention is well founded.

There is disagreement as to whether the felt industry utilizes the same types of wool as does the carpet industry. Spokesmen for the carpet industry emphatically maintain they do not utilize the same type wool.

Testimony before your committee developed that the papermaker felt industry has a special compensatory tariff of 37½ cents a pound, in addition to the 15 percent ad valorem duty, which is not available to carpet manufacturers. Thus, under present law, the felt industry enjoys an advantage which the carpet industry does not enjoy. As a result, imports of felt are almost nonexistent and the industry is a substantial exporter. Further, at the public hearings in December 1956, when representatives of the felt industry were asked whether the industry would be willing to surrender its compensatory tariff on finished production in order to be placed on the same footing with the carpet industry, they replied they would not so agree.

Safeguards contained in H. R. 2151

It has been contended that it would be unwise to expand the varieties of wool covered by 1101 (b) because of the possibility that wools imported free in bond under that paragraph for use in the production of carpets or the other-named products may be used in the production of products other than those named. It is to be observed, however, that wools entered under paragraph 1101 (b) are entered under bond and the liabilities under these bonds are canceled only (1) when it has been established to the satisfaction of the Secretary of the Treasury that the wools have been used for the production of the named products, or (2) where the duties chargeable on the wools if used for other purposes have been paid. The Treasury Department advises that in view of the controls exercised through the bonds and regulations under this provision there is no reason to anticipate significant evasions if the law is amended as proposed in H. R. 2151.

Furthermore, your committee, in order to be doubly certain that no injury will result, has amended the bill to provide for a 3-year suspension of the duty instead of repeal, so that it may review the situation after the 3-year period.

Majority of departmental reports favorable

Your committee has received favorable reports on H. R. 2151 from the Department of State, the Treasury Department, and the Department of Labor. The Secretary of Labor, in favorably reporting on the bill, pointed out that there has been a decline of about 40 percent from the 1950 employment level in the domestic wool carpet industry, a decline which has been almost continuous, and that H. R. 2151 is designed to assist the declining domestic wool carpet industry. The report received by your committee from the Secretary of Commerce was generally noncommittal, taking the position that the question was a policy matter for consideration of the Congress. However, that report did point out that in achieving its purpose—

the bill would be beneficial to the American carpet industry and would assist it in meeting the competition of foreign manufacturers who have the advantage of being able to buy coarse wools from China and Tibet, sources presently closed to the United States.

Those who object to this proposal appear to rely strongly on the position of the Department of Agriculture. While the report of the

Department of Agriculture on the bill was unfavorable, at no point in that report is there a definite statement that enactment of H. R. 2151 will injure the domestic wool producers. The report is predicated on the basis that a possibility of injury only may eventually flow therefrom. Moreover, at no point does the report of the Department of Agriculture present any statistics to indicate whether any, or if any, how much, domestic production of wool between grades 40 to 46s exists. In other words, no figures on domestic production of the grades of wool involved are presented, nor is there a statement in the report that domestic production of these grades of wool exists. In fact, the Department's own figures indicate that only a negligible quantity of wool produced in this country is in the 40-46s range. In 1946, the Department purchased and graded all the domestic wool clip and the quantity in the 40-46s grades amounted to about 1 percent of the total. Again in 1952-54, the Department purchased about 170 million pounds of domestic wool and these grades also showed about 1 percent in the 40-46s range. The representative of the Department of Agriculture who appeared before your committee in executive session rested his case in large part on the theory that domestically produced wool of the named grades are utilized by the domestic carpet industry and that the domestic producers would be adversely affected by enactment of the bill. In this connection he stated that in past years the domestic carpet industry had purchased wool from the Commodity Credit Corporation. After being requested to furnish details as to the amounts of such purchases and the names of the purchasers, this official subsequently provided the committee with only one specific instance of purchase by a domestic carpet company of wool from the Commodity Credit Corporation. That purchase was on November 8, 1955, and consisted of some 87,717 pounds of wool. However, your committee was advised that when this purchase, which is the only definite evidence presented, is compared to the total consumption of wool by the domestic carpet industry for the year 1955 (the year in which the purchase was made) it is found to amount to approximately six one-hundredths of 1 percent of total consumption, and it represented only seven-tenths of 1 percent of the requirements of the particular company concerned for that year. Moreover, your committee received information from the company concerned that even this one small purchase was for experimental purposes; was found difficult to handle at the mill; and that no further purchases of domestic wool were ever made by that company. When the comments, therefore, of the Department of Agriculture are examined closely, they are without substance and no factual evidence has been presented to support the position which the Department of Agriculture has taken.

Your committee has thoroughly considered all aspects of this legislation. The question of admittance of additional wools for the domestic carpet industry has been before the Congress for several years. A similar bill (H. R. 12227) was reported favorably by your committee in the 2d session of the 84th Congress and failed of passage under suspension of the rules by only 10 votes (216 for, 123 against). Hearings were conducted in December of 1956 at which representatives of all interested industries testified.

Your committee urges enactment of H. R. 2151.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (new matter is printed in *italic*, existing law in which no change is proposed is shown in *roman*):

PARAGRAPH 1101 (b) OF THE TARIFF ACT OF 1930, AS AMENDED

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * *

SCHEDULE 11.—WOOL AND MANUFACTURES OF

Par. 1101. (a) * * *

(b) Any of the foregoing *and all other wools of whatever blood or origin not finer than 46s* may be entered or withdrawn from warehouse without the payment of duty by a manufacturer, processor, or dealer upon the filing of a bond to insure that any wool or hair entered or withdrawn thereunder shall be used only in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy fulled lumbermen's socks, rugs, carpets, or any other floor coverings: *Provided, That a tolerance of not more than 10 per centum of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s.* A manufacturer, processor, or dealer may be relieved of liability under his bond with respect to any wool or hair so entered or withdrawn which is transferred in its imported or any other form to another manufacturer, processor, or dealer who has filed a bond to insure that the merchandise so transferred shall be used only in the manufacture of the above-enumerated articles. If any wool or hair so entered, withdrawn, or transferred under bond is used or transferred for use in its imported or any other form in any manner otherwise than in the manufacture of the articles enumerated above, there shall be levied, collected, and paid on the merchandise so used or transferred in violation of the bond the regular duties which would apply to such merchandise if imported in its condition at the time of such use or transfer. Such duties shall be paid by the manufacturer, processor, or dealer whose bond is charged with the wool or hair at the time of such use or transfer; but such duties shall not be levied or collected on any merchandise (except white soft wastes, white threads and noils, which shall be dutiable at seven-eighths of such regular duties when used or transferred for use otherwise than in the manufacture of the enumerated articles) resulting in the usual course of manufacture of such enumerated manufactured articles which cannot be used (with or without further preparation) in the usual course of the manufacture of such enumerated articles, or which is

exported or destroyed. When any wool or hair which has been entered or withdrawn under bond as provided for in this subparagraph is used or transferred for use, in its imported or any other form, otherwise than in the manufacture of the above-enumerated articles and prior to such use or transfer there shall have been combined or mixed with such wool or hair any other merchandise, the whole or the combination or mixture shall be presumed to be composed of wool or hair entered or withdrawn under bond, as provided for in this subparagraph, unless the manufacturer, processor, or dealer liable for the payment of the duties shall establish the quantity of bonded wool or hair in such combination or mixture. Every manufacturer, processor, or dealer who has given a bond pursuant to the provisions of this subparagraph shall report any use or transfer of merchandise in violation of the terms of his bond, within thirty days after such use or transfer, to the collector of customs in whose district the bond is filed; and for failure to so report, such manufacturer, processor, or dealer shall be liable to a penalty equal to the value of the merchandise so used or transferred at the time and place of such use or transfer. Such penalty shall be in addition to the duties above provided for. The Secretary of the Treasury is authorized to prescribe such regulations and the form, conditions, and amounts of such bonds as may be necessary to carry into effect the provisions of this subparagraph.

MINORITY VIEWS ON H. R. 2151

The signatories to the following minority views are opposed to the enactment of H. R. 2151 (1) because there are dangers inherent in the legislation to the domestic wool-growing industry, (2) because the legislation would discriminate against other American industries that are competitive buyers with the carpet industry for available supplies of the types of wool covered by the legislation, and (3) because the bill would grant preferential tariff relief to the carpet industry without improving the tariff status of other domestic wool manufacturing industries.

The Committee on Ways and Means has in the past reported favorably on legislation providing for the duty-free treatment of certain classes of imports into the United States where it has been demonstrated that the existing duty had become obsolete and where benefits to be derived from the removal of the duty were clear and were not to be enjoyed by one segment of American industry to the detriment or at the expense of other segments. Enactment of the present legislation would not be in conformity with this principle.

It has been contended by the proponents of H. R. 2151 that the purpose and effect of the legislation is simply to suspend for a period of 3 years the import duties on certain wool imported under bond for use in the manufacture of rugs, carpets, other floor coverings, and certain other less important wool products. It is submitted by the undersigned that both the effect and implications of this legislation are more far-reaching than would appear from the foregoing statement of the purpose of this bill.

(1) *Adverse effect on domestic woolgrowers.*—The legislation if enacted would be injurious to the domestic wool producing industry. It would establish a precedent of exempt duty status which could lead to other segments of the wool industry demanding similar tariff treatment. Although there is not at present substantial domestic production of the grades of wool covered by this legislation, the possible extension of the duty-free treatment to cover a broader range of raw wools would inevitably serve to have an unsettling and disturbing effect which would aggravate the present uncertainties in the domestic wool market.

(2) *Discrimination against other domestic industries.*—If this legislation is enacted into law, Congress will have taken favorable action on tariff legislation benefiting one domestic industry to the demonstrable detriment of another domestic industry. The concession that would be made in H. R. 2151 to the carpet industry would be granted at the expense of other industries using similar wool raw materials. It is important to recognize that, whereas the benefits of this legislation would only be marginal to the domestic carpet industry since that industry employs a wide variety of fibers in the fabrication of carpets, it would have important adverse effects on such small industries as the

manufacturers of papermakers' felt who must use wool in their process of manufacturing and cannot shift to the use of other fibers.

The domestic papermakers' felt industry competes in the world wool market with the domestic carpet industry for wools of a grade covered by this legislation. There is presently applicable to wools of the type covered by the bill duties of 17 cents per pound or 25½ cents per pound depending on fineness. If the carpet industry were exempt from the applicability of this duty, and other domestic industries continued to be subject to the duty, then, to the extent of the amount of the duty, the carpet industry would be able to outbid in world markets other domestic consumers for wool supplies. The other American consumers would be required to pay not only the higher price but in addition would continue to be subject to the existing duty.

(3) *Preferential character of the legislation.*—The legislation purports to alleviate the financial difficulties confronting the domestic carpet industry by making imported raw materials available to that industry through elimination of the applicable tariff. If this approach to the financial problems of the carpet industry is valid, it necessarily follows that a similar approach is valid with respect to other segments of the wool industry which are also experiencing economic difficulties as a consequence of import competition. The fact is that, if enacted, the legislation would result in increasing raw material costs to other American industries that are competitive buyers with the carpet industry for the limited supplies of the types of wool covered by the legislation. Thus this legislation would act to the positive commercial disadvantage of certain segments of American industry at the same time that it improves the commercial position of the carpet industry.

It is the view of the undersigned members of the Committee on Ways and Means that favorable action should not be taken on H. R. 2151. The legislation should be further considered with a view to developing a more equitable and more appropriate solution to the admitted problems confronting the domestic carpet industry; a solution that would alleviate the similar problems confronting other domestic wool consumers and a solution that would not create an unstable and discriminatory market for the domestic wool grower.

The report of the Department of Agriculture to the Committee on Ways and Means in opposition to favorable consideration of H. R. 2151 follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., May 2, 1957.

HON. JERE COOPER,

Chairman, Committee on Ways and Means,
House of Representatives.

DEAR CONGRESSMAN COOPER: This is in reply to requests of January 29 from Leo H. Irwin on H. R. 656 and H. R. 2151. Both bills are concerned with the duty-free entry of wools not finer than 46s for carpet and other specified uses with a tolerance of up to 10 percent of wools not finer than 48s.

At present, duty-free entry of wool is limited to certain "named" wools and other wools not finer than 40s entered for the same purposes as specified in the proposed bills. The Department reported on H. R.

4671, a similar bill, in its letter of June 10, 1955, addressed to the chairman of the committee, the Honorable Jere Cooper.

The Department opposes the enactment of these bills.

The proposal to permit duty-free importation of wools (not finer than 46s) for specific uses such as carpets may result, if enacted, in injury to the domestic wool producer. In addition to setting a precedent which may lead to other segments of the wool industry demanding similar concessions, this proposal would add to the uncertainties of the domestic wool market. This would, in turn, jeopardize the successful operation of the new wool program.

Early in 1954 the President decided not to act on the Tariff Commission's recommendation to increase import duties for raw wool on the basis that the incentive wool program would remedy those conditions which prompted the Tariff Commission investigation. In all fairness to the domestic producer, no reduction in the tariff schedule should be made at this time. Wool production is still 40 percent lower than at the beginning of World War II. The incentive wool program is a temporary measure designed to encourage a minimum level of domestic production of this strategic commodity. The success of this program is important to the Nation as well as to the domestic wool grower.

It would appear that enough carpet wools are available in the present classification of "named" wools and other wools not finer than 40s to meet the needs of the carpet industry. Imports of duty-free wools into the United States during the first 11 months of 1956 were 6 percent higher than the same period in 1955. Carpet wool prices have been relatively stable in 1956 and did not experience the sharp rise which occurred in apparel types.

Wool production in Argentina, the leading supplier of United States carpet wools for two decades, is expected to increase substantially this season as a result of the new government's program which is more favorable to the sheep industry. Wool production in New Zealand, the second leading supplier of carpet wool, has also been increasing rapidly in recent years as a result of pasture improvement.

Import data and present level of prices do not indicate any shortage in carpet wools of 40s and below. The Department cannot visualize any reason for changing the present law and continues to oppose the enactment of the proposed bills designed to broaden the classification of wools eligible for duty-free entry into the United States.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely,

TRUE D. MORSE, *Acting Secretary.*

For the foregoing reasons the undersigned urge against the enactment of H. R. 2151.

FRANK IKARD.
NOAH M. MASON.
HAL HOLMES.
JOHN W. BYRNES.
THOMAS B. CURTIS.

85TH CONGRESS
1ST SESSION

H. R. 2151

[Report No. 953]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1957

Mr. HARRISON of Virginia introduced the following bill; which was referred to the Committee on Ways and Means

JULY 31, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of paragraph 1101 (b) of the Tariff
4 Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101
5 (b)) is amended—

6 (1) by inserting after the word “foregoing” the
7 following: “and all other wools of whatever blood or
8 origin not finer than 46s”; and

9 (2) by inserting before the period at the end
10 ~~thereon~~ *thereof* a colon and the following: “*Provided,*

1 That a tolerance of not more than 10 per centum of
2 wools not finer than 48s may be allowed in each bale
3 or package of wools imported as not finer than 46s”.

4 ~~SEC. 2. The amendments made by this Act shall apply~~
5 ~~with respect to wool entered, or withdrawn from warehouse,~~
6 ~~for consumption, on or after the sixtieth day after the date~~
7 ~~of the enactment of this Act, and shall apply with respect~~
8 ~~to wool under bond on or after the sixtieth day after the~~
9 ~~date of the enactment of this Act.~~

10 *SEC. 2. The amendments made by this Act shall be*
11 *effective only with respect to wool entered, or withdrawn*
12 *from warehouse, for consumption, during the three-year*
13 *period beginning on the sixtieth day after the date of the*
14 *enactment of this Act.*

Amend the title so as to read: “A bill to suspend for
three years the import duties on certain coarse wool.”

85TH CONGRESS
1ST SESSION

H. R. 2151

[Report No. 953]

A BILL

To amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool.

By Mr. HARRISON of Virginia

JANUARY 7, 1957

Referred to the Committee on Ways and Means

JULY 31, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued January 31, 1958
For actions of January 30, 1958
85th-2d, No. 15

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HIGHLIGHTS: See page 6

HOUSE

1. TRADE AGREEMENTS. Both Houses received the President's message recommending extension of the reciprocal trade agreements program for 5 years beyond June 30, 1958 (H. Doc. 320). pp. 1142-43, 1171-72
Both Houses received from the Secretary of Commerce proposed legislation to implement the President's trade agreements message; to S. Finance and H. Ways and Means Committees. pp. 1128, 1202
2. FARM PROGRAM. Rep. Harrison, Nebr., referred to a recent poll of farmers by the Farm Journal as indicating that 73 percent of those questioned opposed additional Federal aid. p. 1175
3. WOOL IMPORTS. The Rules Committee reported a resolution for consideration of H. R. 2151, to suspend for 3 years the import duties on certain coarse wools imported for the manufacture of rugs and carpets. p. 1180
4. WATER CONSERVATION. The Rules Committee reported a resolution for consideration of S. J. Res. 39, to authorize the construction of certain water conservation projects for irrigation purposes in the Pecos River Basin, N. Mex. and Tex. p. 1180

5. MARGARINE. The Rules Committee reported a resolution for consideration of H. R. 912, to amend the Navy ration statute to provide for the serving of oleomargarine or margarine. p. 1180
 6. EXPENDITURES. Reps. Alger, Sisk and others discussed recent charges that large amounts of Federal funds were being spent on programs in Dallas, Tex., including the school milk and other agricultural programs, as well as figures furnished by this Department concerning these programs. pp. 1188-95, 1198-1200
 7. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called Mon., Feb. 3, to be followed later in the week by consideration of H. R. 8308, the humane slaughter bill, H. R. 2151, suspension of duties on certain wool imports, and S. J. Res. 39, the Pecos River irrigation project. pp. 1180-81
 8. ADJOURNED until Mon., Feb. 3. p. 1202
- SENATE
9. TOBACCO. Sens. Morton and Cooper urged continuance of 90%-of-parity price supports for tobacco. pp. 1143-6
 10. NATURAL RESOURCES; BUDGET. Sen. Neuberger criticized the proposed reductions in resource development in the 1959 budget, and inserted his letter to the President opposing such cuts, and various letters and editorials urging water development projects. pp. 1164-8
 11. FOREIGN TRADE. Sens. Bush, Javits, Morse, Morton, and Lausche stated their support for a 5-year extension of the Trade Agreements Act. pp. 1139-40
Sen. Pastore inserted a R. I. General Assembly resolution urging maintenance of tariff rates on textile imports. p. 1128
Both Houses received from the Iron County, Wis., Board of Supervisors a resolution favoring a tariff on imports of plywood and pulpwood. pp. 1128, 1204
 12. SMALL BUSINESS. The Select Small Business Committee submitted a report, "Tax Problems of Small Business" (S. Rept. 1237). p. 1128
 13. TRANSPORTATION. Sen. Morse inserted his testimony before ICC opposing increased freight rates as a discrimination against the Pacific Northwest, and urged repeal of the freight excise tax. pp. 1160-2
 14. STATEHOOD. Sen. Allott urged passage of the Alaskan statehood bill and inserted a letter from ex-Sen. Bender, now an Assistant to Interior Secretary Seaton, favoring statehood. p. 1168
 15. GSA. Both Houses received the annual report of the General Services Administration. p. 1128, 1202
 16. ELECTRIFICATION. Received from the Federal Power Commission a publication, "Statistics of Electric Utilities in the United States, 1956, Privately Owned Companies." p. 1128

CONSIDERATION OF H. R. 2151

JANUARY 30, 1958.—Referred to the House Calendar and ordered to be printed

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

R E P O R T

[To accompany H. Res. 460]

The Committee on Rules, having had under consideration House Resolution 460, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 146

85TH CONGRESS
2D SESSION

H. RES. 460

[Report No. 1314]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 1958

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the
4 Union for the consideration of the bill (H. R. 2151) to
5 amend certain provisions of the Tariff Act of 1930 relative
6 to import duties on certain coarse wool, and all points of
7 order against said bill are hereby waived. That after gen-
8 eral debate, which shall be confined to the bill, and shall
9 continue not to exceed two hours, to be equally divided and
10 controlled by the chairman and ranking minority member
11 of the Committee on Ways and Means, the bill shall be
12 considered as having been read for amendment. No amend-

1 ment shall be in order to said bill except amendments offered
2 by direction of the Committee on Ways and Means, and said
3 amendments shall be in order, any rule of the House to the
4 contrary notwithstanding. Amendments offered by direc-
5 tion of the Committee on Ways and Means may be offered
6 to any section of the bill at the conclusion of the general
7 debate, but said amendments shall not be subject to amend-
8 ment. At the conclusion of the consideration of the bill for
9 amendment, the Committee shall rise and report the bill to
10 the House with such amendments as may have been adopted,
11 and the previous question shall be considered as ordered on
12 the bill and amendments thereto to final passage without
13 intervening motion, except one motion to recommit.

85TH CONGRESS
2D SESSION

H. RES. 460

[Report No. 1314]

RESOLUTION

Providing for the consideration of H. R. 2151,
a bill to amend certain provisions of the
Tariff Act of 1930 relative to import duties
on certain coarse wool.

By Mr. SMITH of Virginia

JANUARY 30, 1958

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued February 5, 1958
For actions of February 4, 1958
85th-2d, No. 18

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HIGHLIGHTS: House passed humane slaughter bill. House passed bill to suspend import duties on certain coarse wools. Sen. Murray introduced and discussed bill to increase authorization for forest highways. Sen. Humphrey and Rep. Cooley introduced and Sen. Humphrey discussed bills to extend and expand Public Law 480.

HOUSE

1. HUMANE SLAUGHTER. Passed with amendments H. R. 8308, to provide for the use of humane methods in the slaughter of livestock. pp. 1428-49

Agreed to amendments by Rep. Anfuso to provide that slaughter shall be carried only by "humane methods" instead of by "the most humane practicable methods," to provide that slaughter in accordance with the ritual requirements of the Jewish faith is considered humane, and to add a new section to provide that nothing in the act shall be construed to prohibit any religious group from slaughtering livestock in conformity with the practices and requirements of its religion. pp. 1437-41

Rejected the following amendments:

- By Rep. Dorn, by a vote of 73 to 122, to substitute entirely new language which would have provided for the Department to make a study of humane slaughter methods and report to the Congress by Jan. 1, 1959. pp. 1441-47
- By Rep. Gross, by a vote of 44 to 100, to strike out sec. 5 authorizing the Secretary to appoint an advisory committee on humane slaughter methods. pp. 1448-49

2. WOOL IMPORTS. Passed as reported, by a vote of 250 to 129, H. R. 2151, to suspend for 3 years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets. pp. 1428, 1449-65
3. FOREIGN TRADE; SURPLUS COMMODITIES. Both Houses received from the President the semiannual report on activities carried on under Public Law 480 (H. Doc. 323). pp. 1365, 1428
Rep. Neal urged greater restrictions on the importation of foreign products. pp. 1465-66

SENATE

4. FOREIGN TRADE. The Banking and Currency Committee reported without amendment S. 3149, to increase the lending authority of the Export-Import Bank (S. Rept. 1270). p. 1366
Both Houses received from the Comptroller General an audit report on the Export-Import Bank for fiscal year 1957. pp. 1365-6, 1467
5. DAIRY INDUSTRY. Sen. Proxmire inserted his statement supporting S. 3125, to provide for a self-help dairy stabilization plan, and comparing it with his bill S. 2952, to provide an all-commodity self-financing farm program. p. 1373
6. SMALL BUSINESS. Sen. Wiley spoke in favor of the proposed Small Business Tax Adjustment Act. pp. 1376-7.
7. WEATHER. Sen. Wiley urged weather control research, and inserted an article on Weather Bureau budget cuts and a speech on the use of earth satellites to control weather. pp. 1377-8
8. LUMBER. Sen. Neuberger inserted his communications with a newspaper on the economic situation and unemployment in Ore., particularly the lumber industry. pp. 1380-1
9. RESEARCH. Sen. Monroney inserted an article on the importance of basic research and the need for more funds to support it. p. 1382
Sen. Morse inserted two articles on the growing importance of social science research under the National Science Foundation. p. 1408-11
10. BILLBOARDS. Sen. Neuberger commended Sen. Kuchel's "reconsideration" of his opposition to billboard control bills. p. 1411
11. PENALTY MAIL. Both Houses received from the Postmaster General a report showing the types and number of penalty mail indicia accounted for during fiscal year 1957 by the various Government Departments. pp. 1366, 1467
12. WATER RESOURCES. Sen. Langer inserted a N. Dak. State Water Conservation Commission resolution on S. 863, to recognize the water laws of the states lying west of the 98th meridian. p. 1366
13. RECLAMATION; ELECTRIFICATION. Sen. Knowland inserted his statement supporting the Trinity Partnership proposal (Jan. 31). pp. 1223-4
14. MONOPOLY. S. Res. 231, to provide \$365,000 for the Judiciary Committee to study antitrust and monopoly, was made the Senate's pending business. Pending at adjournment was Sen. Knowland's motion to cut the appropriation to \$250,000. pp. 1425-6

House of Representatives

TUESDAY, FEBRUARY 4, 1958

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Ephesians 3: 16: *That ye may be strengthened with might by His spirit in the inner man.*

Almighty God, Thou art always standing at the door of our hearts waiting to be welcomed and wanting to be known and trusted.

Make us sensitive and responsive to the promptings of Thy spirit, seeking to transform us from what we are to what we ought to be.

May we always be eager to yield ourselves to Thy goodness for our littleness needs Thy greatness and our weakness needs Thy strength.

Grant that nothing may eclipse our faith and obscure our hope as we continue to pray and labor for the peace of the world.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 10146. An act making supplemental appropriations for the Department of Defense for the fiscal year ending June 30, 1958, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HAYDEN, Mr. RUSSELL, Mr. CHAVEZ, Mr. ELLENDER, Mr. BYRD, Mr. BRIDGES, Mr. SALTONSTALL, and Mr. YOUNG to be the conferees on the part of the Senate.

REFUNDING GOVERNMENT DEBT AT HIGH INTEREST RATES

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, in yesterday's Washington newspapers an advertisement caught my attention advertising the refunding of \$16,785,000,000 in

United States Treasury issues. In accordance with this advertisement certain new issues were advertised in exchange for outstanding issues maturing within the next 75 days.

One of the extraordinary features about the new issue is that bonds can be acquired, paying a guaranteed 3½ percent interest rate until February 15, 1990, 32 years from now.

I am fully aware of two desperate problems faced by the Treasury Department: First, in securing the necessary funds for the operation of the Government, and second, the necessity for avoiding short-term refunding of national indebtedness. However, it is extremely difficult for me to comprehend the fiscal wisdom of our Government and its debt managers who persisted in short-term borrowing during the past several years when interest rates were steadily rising upward and now undertaking a long-term offering for a period of 32 years at a 3½ percent rate at the very time when every indication points to decreasing interest rates in the immediate future.

If this offering could be delayed for 90 or 180 days, it is extremely possible that one-half of 1 percent might be saved on the interest rate with a possible net savings to the American people of almost \$2½ billion. A policy of long-range high-interest offering at a time when lower interest rates are in clear prospect indicates a national fiscal policy designed for and perhaps by the banking and investment interests of America rather than the guardians of American tax dollars.

There seems every reason to believe that public policy would be better served if this tremendous long-range high-interest offering could be deferred for a more prudent period of lower and more attractive interest rates.

HARRY HEYDENBURG, REPORTER

(Mr. O'HARA of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'HARA of Illinois. Mr. Speaker, in the district court of the United States in Chicago the distinguished jurists in their robes sat en banc, the United States marshal brought before them in handcuffs, the defendant, Harry E. Heydenburg, charged with the grievous crime of desertion from the Federal building pressroom, the evidence was heard and a verdict of guilty promptly rendered, whereupon District Judge Phillip Sullivan sentenced the defendant to accept the gifts that a host of Harry Heydenburg's friends had ready with which to shower a great newspaper re-

porter on his retirement. It was a ceremony in appreciation of and affection for one of the journalistic greats, a newsman who for more than 40 years had covered the beat of the Federal courts in Chicago. Harry Heydenburg got his first job as a reporter on a metropolitan daily in 1903. He was assigned to the Federal pressroom in 1916 and remained there until his retirement in January of 1958. From 1924 to 1958, over three-score years, he was on the staff of the Chicago American. He never made an enemy. He was respected and beloved by several generations of judges, court officials, and lawyers. He set the pace and the pattern for topnotch reporting.

My colleagues join me, I am sure, in noting the retirement of a great newsman and in wishing him rich contentment in the years ahead. It is to be hoped that in his retirement he will find the time to write the story of his 41 years covering the beat in the old Federal building in Chicago. Many things have happened in 4 decades in that building. There have been many famous trials, many picturesque personalities of which Judge Landis was but one, many dramatic and historic scenes. Harry Heydenburg covered them all. His story of it all would be a best seller.

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

[Mrs. ROGERS of Massachusetts' remarks will appear hereafter in the Appendix.]

[Mr. KEATING's remarks will appear hereafter in the Appendix.]

SECOND ANNUAL REPORT OF THE SURGEON GENERAL OF THE PUBLIC HEALTH SERVICE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 324)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed.

To the Congress of the United States:

Under the provisions of title VII of the Public Health Service Act, as amended by Public Law 835, 84th Congress, I transmit herewith for the information of the Congress the second annual report of the Surgeon General of the Public Health Service summarizing

the activities of the health research facilities program.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, February 4, 1958.

SEVENTH SEMIANNUAL REPORT ON ACTIVITIES CARRIED ON UNDER PUBLIC LAW 480, 83D CONGRESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 323)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Agriculture and ordered to be printed:

To the Congress of the United States:

I am transmitting herewith the seventh semiannual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period July 1 through December 31, 1957.

DWIGHT D. EISENHOWER.
THE WHITE HOUSE, February 4, 1958.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

HUMANE SLAUGHTER OF LIVESTOCK

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 376 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8308) to establish the use of humane methods of slaughter of livestock as a policy of the United States, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and to myself such time as I may require.

Mr. Speaker, I have had no requests for time for debate on the rule. I know of no opposition to the rule; but I would like to make a brief statement if the gentleman will consume such time as he may desire.

Mr. ALLEN of Illinois. Mr. Speaker, I have no objection to the rule.

(Mr. SMITH of Virginia asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Virginia. Mr. Speaker, House Resolution 376 makes in order the consideration of H. R. 8308, the humane slaughter bill. The resolution provides for an open rule and 1 hour of general debate.

The bill establishes a national policy in connection with the slaughter and handling of livestock for slaughter. Certain methods which would comply with the public policy are listed in the bill, but it does provide that slaughtering in accordance with the practices and requirements of any established religious faith are to be considered in conformity with the public policy.

The Secretary of Agriculture is authorized to conduct research and investigation to determine the most humane, practicable methods of slaughter. He is also authorized to establish a 12-man advisory committee to make recommendations in connection with the study.

After December 31, 1959, the Federal Government will buy no livestock products which have not been slaughtered by the humane methods determined by the Secretary of Agriculture, and such products shall be labeled as having been slaughtered by these humane methods. There is no other penalty attached to the bill. The bill merely seeks to promote practical methods of humane slaughter of animals. It is a measure with large public support. It is a moderate bill and ought to be enacted. I hope that the rule may be adopted and the bill passed.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDING TARIFF ACT OF 1930 RELATIVE TO IMPORT DUTIES ON CERTAIN COARSE WOOL

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 460 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2151) to amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, and said amendments shall be in order, any rule of the House to the contrary notwithstanding. Amendments offered by direction of the Committee on Ways and

Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], and to myself such time as I may require.

Mr. Speaker, I have no requests for time on this side.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

HUMANE SLAUGHTER OF LIVESTOCK

Mr. POAGE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8308) to establish the use of humane methods of slaughter of livestock as a policy of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8308, with Mr. HERLONG in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. POAGE. Mr. Chairman, I yield myself 25 minutes.

Mr. Chairman, the need for humane slaughter legislation has been quite evident for many years. While the American meatpacking industry has long held a deserved reputation as one of the most efficient in the world—most of its members had, up until a few months ago, done practically nothing to meet the requirements of human kindness and even decency in the slaughtering of animals. While practically every other packing-house operation had been mechanized and modernized cattle and hogs were still killed exactly as they were when as a boy of 10 I first visited the plants at Fort Worth. Possibly the companies needed the spur of competition in this field.

True there have been a few outstanding examples of progress. George Hormel & Co., one of the great hog packers, had devised and installed a modern and humane hog slaughtering practice in their new plant at Norfolk, Neb., as it was constructed. They found that it actually saved money through the elimination of losses of valuable meat from bruises and broken bones. They later installed similar facilities in all of their plants. Other hog packers have followed suit, but I believe I am correct

6 months. We require him to give notice so that the industry may know what they are going to have to live under.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. GROSS. I do not object to it. But I am saying that speaker after speaker has said that this does not go into effect until December 31, 1959, when, as a matter of fact, it goes into effect June 30 of this year.

Mr. POAGE. Mr. Chairman, I think the gentleman is mistaken in that; the requirement of humane practices does not go into effect in June. It says the Secretary must at least tell the industry what they may expect some time in advance. That is all we are trying to do here.

We want to see that the Secretary will give notice some time in advance. It seems to me that since the commission is not allowed to draw a salary, as the gentleman has intimated it would, and since the commission cannot be the expensive agency that it was suggested it might become, and since the commission might give some little help to the Secretary of Agriculture, who said he did not want to have this responsibility thrust upon his shoulders, even though you may feel as I did, that we probably might just as well act without any commission, it seems to me that we might just as well keep this provision of the bill, pass it, get a bill, and send it to the Senate and stop this argument.

Mr. THOMSON of Wyoming. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this is called a humane slaughter bill. We know that we do not slaughter humans, and until the sixteenth century that is what the word humane meant. But in the quest for food we slaughter livestock to obtain that food. A more recent meaning of humane as to animals is to treat them with kindness and compassion. Humane slaughter then means killing them with kindness and compassion. I am for use of slaughter methods that would involve the most kindness and compassion consonant with supplying our need for food, as I am sure are all other Members of this body. Certain parts of this bill though concern me.

In section 4, subparagraph (b), it is stated, in putting the burden of determining humane methods on the Secretary. I am surprised to see this recognition of his good judgment on the part of certain members of the committee. I quote from the bill:

On or before June 30, 1958, and at such times thereafter as he deems advisable, to designate methods of slaughter and of handling in connection with slaughter which, with respect to each species of livestock, conform to the policy stated herein.

Would the gentleman tell me what the policy stated herein is, that is to what that language refers?

Mr. POAGE. It is stated in section 2. It says now that certain procedures are found by the Congress to be humane. We say that those stated in the Anfuso amendment, which we adopted, are humane. Any packinghouse may rely on that. If the owner of a packinghouse

complies with these methods, he builds his plant in accordance therewith. He is not subject to variations of opinion on the part of the Secretary of Agriculture, because he knows that the Congress has stated that these things are humane, and they remain so regardless of changes in the personnel in the Department of Agriculture or changes of opinion there. The Secretary, however, may prescribe other methods that he may say are humane, but he cannot deny the things Congress has said are humane. So we do give to the packing industry the stability that has been suggested does not exist. At the same time we give to the Secretary the right and we give to this Commission the duty, to try to determine, as scientific knowledge advances, just what other additional methods are humane, that we might not have simply a static situation where we could not take advantage of the new developments of science but instead, as new developments appeared, we could take advantage of them, at the same time protecting the packinghouse investment in that type of method which is declared by the Congress to be humane.

Mr. THOMSON of Wyoming. I thank the gentleman.

Mr. RHODES of Pennsylvania. Mr. Chairman, I rise in support of H. R. 8308, the humane slaughtering bill. The cruel and inhumane practices being used in the slaughtering industry are well known and have been adequately documented. New devices are readily available to permit humane slaughter of livestock. There is no reason why this should not be done, since the present slaughtering methods are so offensive to the sensibilities of millions of people.

Mr. ENGLE. Mr. Chairman, I just want to make a few remarks in favor of the bill now before us. I strongly support this legislation, which in my opinion is long overdue.

I believe a national policy should be established to encourage methods for the humane slaughtering of livestock, and this bill certainly serves that purpose. It is not a hodge-podge piece of legislation. It is a culmination of nearly 2 years of study and thorough hearings by the respective committees of the House and Senate.

I feel confident that in accordance with the intentions of the bill that satisfactory and practicable methods can be established throughout the Nation for the humane slaughter of livestock.

I hope my colleagues will join with me in supporting the legislation.

Mr. ULLMAN. Mr. Chairman, I urge that H. R. 8308 be enacted. The evil which this bill is designed to abolish is one well deserving of eradication. At the present time painful and inhumane methods of slaughter are widely used throughout this country. We who are charged with setting up minimal standards in this area have allowed primitive methods of commercial slaughter to continue with a resulting painful and slow death for countless animals.

Mr. Chairman, such a situation has not continued because humane methods are unavailable or not perfected. Certainly alternative methods do exist and the adoption of them would involve only

a small additional cost. I think their adoption is long overdue.

Mr. Chairman, I am fully in sympathy with the objectives of this legislation and I urge its prompt passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. Gross].

The question was taken; and on a division (demanded by Mr. Gross), there were—ayes 44, noes 100.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HERLONG, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8308) to establish the use of humane methods of slaughter of livestock as a policy of the United States, and for other purposes, pursuant to House Resolution 376, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

Mr. SMITH of Mississippi. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred fifty Members are present, a quorum.

Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORRECTION OF BILL

Mr. POAGE. Mr. Speaker, I ask unanimous consent to correct line 3, page 2, by striking out the word "the."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TEMPORARY SUSPENSION OF IMPORT DUTIES ON CERTAIN COARSE WOOL

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Com-

mittee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2151) to amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2151), with Mr. BOLAND in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from Arkansas [Mr. MILLS] is recognized for 1 hour, under the rule, and the gentleman from New York [Mr. REED] will be recognized for 1 hour.

The Chair now recognizes the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, I rise to strongly urge passage of H. R. 2151 by the House of Representatives.

The purpose of this meritorious legislation is to suspend for a limited time the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets. At the present time paragraph 1101 (b) of the Tariff Act of 1930 provides for free entry under bond of imports of certain wools and animal hair for use in the manufacture of rugs and carpets and certain other items such as press cloth, lumberman's socks, and a few other similar products. These wools consist of so-called unimproved wools and other improved wool not finer than 40's, and camel's hair. The so-called unimproved wools are those from sheep which are native to certain regions and which have not been improved through crossbreeding with Marino or English sheep. Other wool not finer than 40's are the coarser grades obtained from cross-bred sheep.

This legislation now pending before the Committee would add to the wools which are now permitted duty-free importation for the specified uses those wools, which are finer than 40's but not finer than 46's. The bill is limited to a period of 3 years. A so-called tolerance provision is included, as has been customary in the past, so that a tolerance of not more than 10 percent of wools not finer than 48's may be allowed in each bale or package of wools imported if not finer than 46's.

Mr. Chairman, there is urgent need for this legislation. It is designed to provide our domestic carpet industry with sources of raw supplies so that it may compete on an equal basis with the increasing imports of foreign-made carpets. Traditionally, the Congress has permitted duty-free entry of carpet-grade wools. This accounts for the fact that no added protection for the carpet industry of a specific duty was given. However, the volume of these grades of wools entering international trade has been much smaller than consumption. Information brought to our Committee indicates that there has been a worldwide shortage of carpet-grade wools and, as a result, foreign manufacturers have

been utilizing wools up to grade 46's. Your Committee was advised that these finer grades of wools are not as satisfactory as the coarser grade, but they are now being used by foreign carpet manufacturers because of the shortage of coarse grades of wool. These foreign manufacturers can obtain this additional class of wools much cheaper than domestic manufacturers are able to obtain such wool because the domestic manufacturers have to pay a duty on it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BAILEY. Was there testimony given before the Ways and Means Committee, of which you happen to be chairman, to show that American-produced wool cannot be used in the manufacture of the rugs you are talking about?

Mr. MILLS. Yes. I will come to that later.

Mr. BAILEY. And it was not refuted?

Mr. MILLS. No, sir. If the gentleman will permit me, I will come to that later, and then I will yield.

The foreign carpetmakers have a decided advantage over our United States carpetmakers. Convincing evidence was presented to the Committee on Ways and Means that the domestic carpet industry is faced with a squeeze which has placed it in a very adverse position competitively because, on the one hand, it cannot obtain economically the raw wool which it needs in order to compete and, on the other hand, it is faced with mounting competition from imported foreign carpets.

Mr. Chairman, this legislation has been before the Congress now for several years. A bill was introduced in the 84th Congress, reported by the Committee on Ways and Means, and barely failed of passage by a two-thirds vote under suspension of the rules in the closing days of the second session of that Congress. The primary objection which was urged on the floor of the House at that time was that no public hearings had been held on the bill and that there might in some way be an adverse effect upon domestic wool producers and the domestic felt industry. In the fall of 1956, hearings were held on the legislation and all interested parties were given adequate opportunity to thoroughly and completely present their views. The Committee on Ways and Means requested and received up-to-date departmental reports on the new bill when it was introduced in the early days of the present Congress. It gave this bill most thorough and painstaking consideration in executive session, receiving views from officials of all the interested departments and agencies. The bill was reported favorably from our committee by an overwhelming majority.

This bill, in the view of the Committee on Ways and Means, will help our domestic rug industry to compete effectively and will not result in any adverse effect upon our domestic wool producers or our domestic felt industry. Information brought to the attention of the committee shows that domestic production of wools suitable for carpet use is

so slight as to be practically nonexistent, and that the domestic felt industry already has added protection in the form of a compensatory duty which the carpet industry does not have.

The only Department which reported adversely on this legislation was the Department of Agriculture. In reporting on the bill in the 84th Congress, officials of the Department based their objections upon psychological grounds. They did not bring to the attention of the committee facts to show that the wools concerned by this legislation are produced in any quantity in the United States. That Department has continued to oppose the bill, although they have yet to bring tangible, firm evidence to the committee to show wherein this legislation would injuriously affect domestic wool producers. Their opposition, it appears, continues to be based on psychological grounds. Officials of the Department of Agriculture, when the new bill was considered in executive session, indicated that some wool had been sold by the Commodity Credit Corporation to domestic carpet manufacturers. However, when questioned as to whom these sales were made and in precisely what quantities, no answers were forthcoming at that time from the officials. Subsequently, they did supply factual information on one sale which had been made, and it turned out that this was infinitesimal as compared to the amount of wools needed for the domestic manufacture of carpets. Information subsequently furnished the committee also indicated that the one purchase of wool of the grades indicated from the Commodity Credit Corporation proved to be unsatisfactory and that no further purchases were made.

The carpet industry is to be commended for urging this legislation. That industry did not come to the Congress and ask for an advantage; they came and asked merely to be placed on an equal footing with their foreign competitors insofar as obtaining their necessary raw supplies is concerned. They said, in effect, we can take care of ourselves if you will permit us to obtain our needed raw materials on the same basis and on the same footing as our foreign competitors obtain their raw materials. The domestic carpet industry is asking for simply equity so that they can compete in the market place and they are not here asking for a special advantage.

The Committee on Ways and Means was careful to place safeguards in this legislation. The wool which would be brought in must be under bond and cannot be used for other than the stated purposes. The Treasury Department has advised the Committee on Ways and Means that, in view of the control exercised through the bond which is required and through the departmental regulations, there is no reason to anticipate evasions of the law and deflection of this wool for other than the stated purposes. The Committee on Ways and Means has also placed a 3-year limitation on this legislation so that the Congress can again take a look at the situation after the bill has been in operation for a limited period of time. Certainly these safe-

guards are more than adequate to protect against any adverse effects which conceivably might develop, and your committee does not foresee any such adverse effects.

The Committee on Ways and Means has most thoroughly considered this legislation and I strongly urge its enactment by the House.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. DIXON. May I refer to the statement about worldwide scarcity? I have information from the Department here showing that Argentina has a tremendous surplus?

Mr. MILLS. I will get to that particular question a little later.

Mr. DIXON. On this particular kind of wool the price has dropped 18 percent. If there is a shortage why has the price dropped so much?

Mr. MILLS. I am interested in the gentleman's statistics but his information is contrary to that given to the Committee in this matter. The Department has not furnished our committee such information. Also, I want to emphasize that there are very many types and classes of wool. The gentleman did not specify the particular grade and class.

Mr. SCOTT of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Pennsylvania.

Mr. SCOTT of Pennsylvania. Will the gentleman be good enough to review the benefits of H. R. 2151 to the public?

Mr. MILLS. I think there are many benefits to the public generally. First, it will assist in the preservation of a domestic industry. I will have more to say about that at a later point. Rugs are coming in from overseas made out of this wool. We should put our domestic industry in a position of being able to get its raw materials from the same source as the foreign producer of the rugs and at the same price. How can our domestic industry compete if we do not do that? That is what they are asking for. So I think it is in the public interest that we pass legislation of this sort to give them an opportunity to survive.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. TABER. The real advantage to the general public, outside of the specific advantage to the carpet industry, would be that the people of the United States and the rug consumers would have an opportunity to have better competition in connection with the prices of these rugs.

Mr. MILLS. Yes; the consumer would be protected in a situation where the prices might otherwise go up and the domestic industry would be able to compete better in our domestic markets.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Utah.

Mr. DIXON. With these wools having dropped 18 percent in price in the

last year, I wonder whether the competition is due to the cheap wool or to the cheap foreign labor?

Mr. MILLS. The industry advises us they need this bill to effectively compete. I have always a lot of trouble when I go home trying to explain to my farmers why it is the wool people are already treated better than they are. What I want the gentleman to explain to me is, How in the name of goodness, other than the possible "psychological" effect that the Department of Agriculture pointed out, we are going to in any way interfere with the woolgrowers or the price of the wool that the people in the gentleman's State produces when that wool is supported by legislation through the Department of Agriculture to the extent of—I have forgotten the exact figure—104 or 106 percent of parity? I would like for the gentleman to explain to me how this legislation can possibly hurt his district and, furthermore, how it can hurt the domestic producer of wool in the United States, when I do not believe the gentleman will contend that this type of wool is produced in any sufficient quantity or in any significant amount here in the United States.

Mr. DIXON. I shall do that.

Mr. MILLS. I think you people in the wool industry make a very serious mistake when you endeavor to defeat the passage of this type of legislation when it cannot affect the type of wool that you are producing except that maybe over a period of 10 years you have hopes of producing that kind of wool. If you do, if that is your thought, this legislation will apply for only 3 years, and if you get to where you can produce it in the United States, I will be the first one to say that this legislation ought to be reconsidered in the light of the then existing facts and the 3-year period insures that it will.

Mr. DIXON. I shall answer that when I get time, and I appreciate the comment. The carpet people have asked the Tariff Commission for relief through the escape clause in the Reciprocal Trade Act which in no way will imperil our sheep industry. I wonder if the committee has considered that alternative, because the Tariff Commission now is working to see what injury these imported carpets are doing to the carpet industry.

Mr. MILLS. The committee is not, I might say, considering that matter, because proceedings before the Tariff Commission are matters before an independent agency. If the carpet industry can prove their case of injury to the Tariff Commission, the Tariff Commission will presumably make recommendations to the President for some appropriate action. But, this is something entirely different from that; this bill involves the raw supplies—not the finished imported carpets. Why should we maintain a duty on something that we admittedly do not produce here in the United States in sufficient quantity to satisfy our needs when we are denying in the process our own domestic producers of having that raw material at a comparable price with their competitors overseas? Since it will not hurt anybody here at home, why should we be concerned?

Mr. Chairman, I urge the passage of the legislation.

Mr. REED. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, one of the saddest spectacles in this country is to observe towns becoming ghost towns. For many years I have driven through the State of Pennsylvania, coming and going to my home in New York, and there are many beautiful little communities with fine schools, with fine homes, with swimming pools, and a fine American community life. What supports these communities? In many cases it is not the farming country around them. You go over a little way to the remote part of these little towns and there is an industry; there is a smokestack; there is a fine payroll in that little town; they are making something special. They just cannot survive without a tariff to protect them from the cheap labor abroad. And, you can see places where there is nothing left standing in some of the communities up there. The church is gone; the houses are gone; the people have gone. I have always believed that our industries in those towns should be protected from cheap-labor-produced goods from abroad. I want to see our way of life maintained and strengthened.

Mr. Chairman, I join my distinguished colleague and chairman, Mr. MILLS, to speak in support of H. R. 2151. This legislation would provide for a 3-year suspension of the import duty applicable to wools of certain prescribed fineness used in the manufacture of carpets.

With respect to the need for the legislation and reducing the description of such need to its bare essentials in the interest of simplicity, I would say that the purpose of this legislation is to improve the competitive position of the American carpet industry in our American market by enabling the domestic carpet producers to buy their wool raw materials which are covered by the bill on a duty-free basis. Our domestic carpet industry is in a seriously depressed condition today because of the fact that its foreign competitor cannot only employ cheaper labor than is available to the American producer but also that foreign competitor can buy his raw materials in the case of wool largely on a tariff-free basis.

To the membership of this distinguished Committee I would call attention to the fact that many of the problems that our great domestic carpet industry is presently experiencing can be attributed to the evils of the trade agreements program and the improper administration of that authority through a multilateral agreement never specifically authorized or approved by the Congress known as the General Agreement on Tariffs and Trade—or more simply—the GATT. The proper relief that the Congress should accord to the domestic carpet industry is to increase the tariff rates applicable to imported carpets. Unfortunately the Executive has informed the Congress in effect that such action pursuant to the constitutional responsibility of the Congress would be in derogation of the GATT. Therefore the executive branch has expressed op-

position to legislation that would provide more realistic tariff protection for our domestic carpet industry. The alternative to increased tariff protection for the finished domestic product in this case seems to be reduced tariff protection in regard to the raw materials used in the production of that finished product. The membership of this distinguished Committee is aware of my consistent position in support of an appropriate level of tariff protection for our domestic producers—agriculture, industry, and labor.

The effect of this legislation would permit the import of wools necessary as a raw material for our domestic carpet industry without adversely affecting other domestic producers. For all practical purposes there is virtually no domestic production of the types of wools covered under this legislation. Because the legislation would suspend the duty on such wools for a period of 3 years the Congress will have opportunity at the end of that period to reexamine the domestic wool industry to determine whether or not domestic production of such wools has developed in the interim. With respect to the papermaker-felt industry, which has expressed opposition to this legislation, I would state for the benefit of the committee that that industry has a special compensatory tariff of 37½ cents a pound in addition to a 15 percent ad valorem duty. The papermaker-felt industry has a measure of tariff protection that is not available to the carpet industry. I am impressed with the fact that industries having such protection should not be willing to sacrifice another domestic industry by exposing that other industry to unfair import competition.

Mr. Chairman, I regret that our great Nation has been committed through the GATT to tariff obligations, that expose our domestic industries to detrimental imports at noncompetitive prices. The fact is that that is what has happened under the trade-agreements program. The domestic carpet industry has been placed in an untenable competitive position with cheaply produced carpets from abroad. The legislation before this committee today would ameliorate the competitive position of our domestic carpet industry, and it is for that reason that I support its enactment. I do this in the interest of preserving our carpet factories in the United States and the payrolls those factories represent. It is in the interest of preserving the jobs of our American workers who find employment in these carpet factories that I state this legislation merits the support of the Congress of the United States.

Mr. Chairman, during my tenure in Congress I have been a protectionist. I am still a protectionist. But there is one fundamental thing everybody should remember in regard to the tariff question; that is, we all believe in foreign trade when it comes to getting materials for our industries that we cannot obtain in our own country, just the same as we import bananas and things we cannot raise in this country; we do not come in competition with similar fruit in this

country. That is fundamental in our whole tariff setup.

This is a case where England can get from Russia and other sources this particular type of wool with which to make carpets. Then England takes that wool and makes the carpets and puts them, produced by cheap labor, into our market. Under existing circumstances our factories cannot get that wool on a competitive basis and consequently will have to close down. There are some communities which cannot survive unless those factories continue to make the carpets.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from West Virginia.

Mr. BAILEY. I should like to say amen to what the gentleman says about the General Agreement on Tariffs and Trade, better known as GATT. I am just a little bit uncertain as to the gentleman's attitude. Does he care to give the Members of the House the impression that permitting this type of wool to come in on the free list will enable the American producers of carpets to create added jobs for American workmen? Is the gentleman approaching it from that standpoint?

Mr. REED. I certainly am.

Mr. BAILEY. Is the gentleman convinced that there is no American domestically produced wool being used in the manufacture of carpets?

Mr. REED. As far as I have been able to find out, that is true. It is not available. If I were not satisfied that it is true, I would be the last one to be here presenting this bill.

Mr. BAILEY. I thank the gentleman.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman stated a moment ago, just to keep the record straight, that Great Britain imports this coarse wool.

Mr. REED. Yes.

Mr. FISHER. From Russia?

Mr. REED. England obtains this coarse wool from Russia and from other sources.

Mr. O'NEILL. From New Zealand.

Mr. FISHER. I understood the gentleman to say a moment ago that some of the wool that England uses in the manufacture of carpets is imported to England from the Soviet Union. Is that what the gentleman said?

Mr. REED. Yes; and from other sources.

Mr. FISHER. I heard that argument made in this Chamber when this bill was up before; in fact, practically all the sponsors of the bill dwelt on that at length, that foreign producers had that advantage as a result of the imports from Red China and Russia, which gave them an advantage because our mills could not import from those countries under the Trading With the Enemy Act.

Mr. REED. That is right.

Mr. FISHER. I wrote to the American Embassies in both Britain and Belgium to find out what the facts are. I have a letter here from the assistant agricul-

tural attaché in the Embassy in London, dated January 24, 1957. He said in his letter:

In reference to your letter in the past 4 years, there have been no imports of raw wool into the United Kingdom from the Soviet Union or Tibet.

None whatever.

Mr. REED. That is the information you have.

Mr. FISHER. That is the information from the American Embassy.

Mr. REED. That is not the information I have, however.

Mr. HALE. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield.

Mr. HALE. The passage of this legislation, according to my information, would create a good many jobs in my own district, in a community where a very large textile industry was obliged to liquidate largely on account of foreign competition from Japan. I hope very much that this legislation will pass.

Mr. REED. I thank the gentleman very much, and I join him in hoping this legislation will pass.

Mr. HARRISON of Virginia. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. MACHROWICZ].

Mr. MACHROWICZ. Mr. Chairman, I rise to support enactment of the pending legislation. My distinguished colleagues who have preceded me in debate have covered in detailed fashion the purposes of this legislation and the provisions of the bill, so I will direct my remarks primarily to one aspect which I feel needs to be strongly emphasized. I am here referring to the beneficial effect which passage of this meritorious legislation will have on American labor. As has been indicated, the purpose of this legislation is to make it possible for our domestic carpet manufacturers to obtain on an economical basis the raw supplies which they need in order effectively to compete with foreign rug manufacturers.

No one during the course of this debate or during the course of the lengthy consideration of this legislation while it was before the Committee on Ways and Means has questioned in the slightest degree the fact that our domestic carpet industry is in need of assistance. To the extent that this essential industry is adversely affected by its inability to obtain its needed supplies on an economical basis, the laboring men and women in our domestic rug factories are being thrown out of employment and are suffering the hardships attendant upon widespread unemployment.

The Department of Labor in its report on this bill to the Committee on Ways and Means, has amply substantiated this fact. I quote here from that report, submitted to our committee on May 9, 1957:

The domestic wool carpet and rug industry currently employs about 22,000 production workers, a decline of about 40 percent from the 1950 level, the postwar high. This decline has been almost continuous. The Department of Labor does not have data on the relative effect of changing consumer habits, competition from other types of floor covering, along with the shortage of raw

wools of the coarse type, formerly imported from China, in bringing about this decline. So far as employment is concerned, I would have no objections to H. R. 2151 * * * designed to assist the declining domestic wool carpet industry.

-This report goes ahead to indicate that, in addition to assisting our domestic labor meet the mounting competition from rugs manufactured by cheap foreign labor, it would also assist in providing savings to the American consumer in the purchase of rugs and carpets.

I should like to also point out here that the Secretary of Commerce, the Honorable Sinclair Weeks, has indicated that, in achieving its purpose, this legislation would be beneficial to the American carpet industry "and would assist it in meeting the competition of foreign manufacturers who have the advantage of being able to buy coarse wools from China and Tibet, sources presently closed to the United States."

In testimony before our subcommittee, the domestic rug manufacturers clearly showed that the need for the legislation which impelled the carpet industry to seek relief remains and has grown more acute with the passage of time. That testimony was presented in December of 1956 and over a year has now passed since that time. The situation, as we are advised, has continued to grow worse with resulting displacement of American workers and increasing hardships due to this widespread unemployment. Imports of foreign rugs produced with low-standard labor, and through the securing of raw supplies by foreign manufacturers at much cheaper prices than is possible by our domestic manufacturers, have continued to grow from year to year. This competition comes from Belgium, Japan, France, Italy, and it is particularly significant that Japan has shown a tremendously great increase over the types which they previously imported. Our information is that imports from all of these countries are increasing.

It has been suggested that this legislation may not be the proper approach to solution of the problems of the rug industry—that they should ask instead for an increase in the tariff on the finished product. I want to strongly emphasize that the present bill is the proper approach. Our domestic manufacturers have taken the best and soundest course: they ask for no advantage; they do not want to burden consumers with higher prices; they merely ask for a source of economic supplies so they can compete on an equal footing; and they ask only for what they traditionally and historically have been accorded by the Congress—duty-free raw supplies.

Mr. Chairman, this legislation should be of material benefit to American working men and women; it should be of great assistance in providing American consumers with superior domestically manufactured rugs at cheaper prices; and, according to the information presented to the Committee on Ways and Means after exhaustive study, this legislation should not adversely affect either our domestic wool producers or any segment of domestic industry.

Mr. Chairman, the Committee on Ways and Means in order to be doubly certain that this legislation would not result in any adverse effect has written into the bill a 3-year limit so that the committee and the Congress can again review the situation after the legislation has been in operation for a trial period.

Mr. Chairman, in behalf of our American working men and women and in behalf of American consumers, I strongly urge enactment of this important legislation.

I now yield to the gentleman from West Virginia.

Mr. BAILEY. Of course, the gentleman being a member of the Committee on Ways and Means is familiar with the history of the Reciprocal Trade Agreements. Back in 1934 when the President was given authority to raise or lower the tariff duties by 50 percent; in the renewal of the bill in 1955 President Eisenhower was given authority to increase the import duties 5 percent for each of the 3 years during the life of the extension; did it ever occur to the gentleman that the President has not discovered this situation and applied that authority to this situation?

Mr. MACHROWICZ. It might be strange, but the fact that they have not done it should not stop us from doing the proper thing.

Mr. BAILEY. It might be that you are right in suggesting this legislation in order to get relief instead of going through the Tariff Commission after the President had ordered the duty lowered.

Mr. MACHROWICZ. The gentleman may be correct on that.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. MACHROWICZ. I yield.

Mr. HARRISON of Virginia. That would not meet the problem. The problem we are concerned with here is a shortage of raw material which the American producer cannot get and which the foreign producer can get.

Mr. BAILEY. I have not advised the gentleman from Virginia that I am against this legislation.

Mr. HARRISON of Virginia. I do not think you are.

Mr. BAILEY. I think what this Congress needs to be doing today is stockpiling American jobs, and it looks like we might stockpile a few of them here.

Mr. HARRISON of Virginia. I am glad to hear the gentleman is in favor of the legislation.

Mr. REED. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, on account of the shortage of time, I will not yield.

I opposed this legislation in committee. I am opposed to it now on the floor. This legislation separates this body into two distinct groups—not on party lines, but on lines where you want to be with this group or the other group. Opposed to this bill is the Department of Agriculture. Opposed to this bill are the wool-growing farmers of the Nation. Opposed to this bill are some other industries that say, "If you give this to the

carpet industry you are showing favoritism and we will want to come in for some favoritism, too."

I am opposed to this legislation because of the precedent it sets. It is a bad precedent. If you want to cure the problem that is bothering the carpet industry do it in the right way: Put a tariff on these carpets that are coming in and taking business away from them; that is the way to do it. This is not the way to do it.

You talk about a shortage of fiber for carpets. The Department of Agriculture so I am told today, says there is an abundance of this kind of fiber in Argentina. The price there was reduced 18 percent, which will more than offset the payment of the 17-cent tariff on this kind of fiber by the carpet industry. The carpet industry today can get all they want of this fiber, all they need, at a low price. If you want to protect them, put a tariff on the carpets coming in and taking away their markets and the jobs of their employees.

Mr. HARRISON of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, it is with reluctance that I question the propriety of this legislation. I naturally sympathize with any American industry which feels the pinch of foreign competition. But as so often happens, an attempt to solve one problem creates others. It is difficult to find a simple solution. Even assuming that some relief is in order in this instance, I am afraid this is not the proper method to use in getting it. I shall undertake to develop that point a little more in a moment.

As can be seen from the hearings, this bill is sponsored by the American Carpet Institute, which represents carpet manufacturers. The institute contends that American carpet makers are experiencing difficulty in meeting foreign competition. And I am sure that is true. In Belgium, for example, the institute says the average hourly wage paid to carpet mill workers is 39.2 cents, whereas in this country the average is \$1.85. The institute reports that average profits on carpet sales in the United States from 1951 to 1956, inclusive, was 2.32 percent, as contrasted with 7.29 percent in the lush period from 1947 to 1950.

Therefore, the Carpet Institute is here asking that its competitive position be improved by the passage of this bill which would admit, duty free, a substantial amount of non-carpet-type wool but which is readily usable for carpet-making purposes.

Now, that non-carpet-type wool which this bill would admit duty-free is a type of wool which may be used for purposes aside from carpetmaking. Yet the Carpet Institute asks the Congress to admit this wool duty free only if it is used for carpetmaking, but if it is used for papermaking, felt manufacturing, blankets, apparel manufacturing, and so forth, then the institute would have those who use it for other purposes continue to pay the 17 cents per pound duty on it.

We find a rather odd situation here. We find the Carpet Institute here on

the one hand complaining about an unfair competitive situation with foreign carpetmakers, and on the other hand they want, with equal fervor, to create for themselves an unfair competitive advantage over other Americans who compete for this same wool on the world's markets.

This matter of proposing to help one industry to the disadvantage of other industries, reminds me of a telegram received during the time this issue was previously before the Congress. Coming from a Pendleton, Oreg., wool manufacturer, and opposing this bill, it says:

We consume 100,000 pounds of up to 46's scoured wool annually in manufacture fume bags used in filtering gases in smelting plants. Papermakers felts use similar grade. Number of years ago member Oregon legislature introduced a bill providing for registration certain breed, of dogs. Another member asked that his dog be included. Procedure continued until a member proposed amendment that would include all other sons of female dogs in the State.

In other words, Mr. Chairman, this bill raises the question of precedents, of helping one industry and by doing so hurting others. If it is proper and good for one—as in the case of the Oregon dog—then, by the same logic I suppose it should be applied across the board to all others. And on and on it goes.

The Secretary of Commerce, in his report to the committee, while declining any specific recommendation, is very critical of the bill, and touching on the subject of favoring one industry while hurting others, stated:

The enactment of the proposed legislation would permit the use of these 40's and 46's in certain specified uses without the payment of duty. As a result, users of these wools for the specified purposes would have a marked advantage in competing for the limited supply.

WOULD COMPETE WITH DOMESTIC WOOL

It has also been contended by the Carpet Institute that the wool which would be brought in under this bill, duty free, is not competitive with wools produced in this country. And in support of that the institute, in testimony before the committee, cited as its authority figures from the Tariff Commission to the effect that only 1½ percent of our domestic production is of 46's and coarser—amounting to only about two million pounds per year.

Obviously that amount is trivial, but in fairness to all concerned I think we should examine that a little further. Those Tariff Commission figures were from 1946 estimates—and they were estimates. Since then facts before the committee revealed that there has been considerable crossbreeding in this country for more meat-type sheep and consequently this has tended to lower the grades of wool produced in certain areas.

The hearings, for example, contain testimony to the effect that the wool grower marketing associations of Iowa, Minnesota, and South Dakota show that in 1946 only .035 of 1 percent of their farm fleece wool fell in the not finer than 46's classification. In 1956 almost 8 percent of their wools were in this grouping. The volume is reported even higher in West Virginia.

So it is apparent that even though the total amount of this type of wool is comparatively small, yet there is a definite increase trend taking place in this country. And of course this coarser type of wool produced in this country simply cannot compete with low-cost foreign production if it is admitted duty free under the terms of this bill.

While it is true that very little carpet-type wool is produced domestically, the potential is there. After all, there has been no incentive for American producers to produce that type because imports of that quality come in duty free, and American growers simply cannot compete with foreign wools that come in duty-free. And it is proposed here to make it even more difficult for American producers to succeed in that field by making them compete with duty-free wools coarser than 48's.

Now there is another angle to this that should not be overlooked. Carpetmakers blend various amounts of finer, non-carpet-type wools and other fibers with the usual carpet types in the manufacture of carpets. The amount varies. In Britain the amount that is so blended is reported to be rather substantial. And that is also true in this country. Carpet-making is a big business. Those mills consume around 150 million pounds, scoured basis, of carpet wools annually, and in addition they consume more than 50 million pounds of other fiber annually, blended with the carpet-type wools.

I do not know just how much of that 50 million pounds of noncarpet fiber is domestic wool. But based upon what is being done in Britain by carpetmakers there I would assume that at least a fair portion of that fifty-plus million pounds is noncarpet type, of various grades.

What would happen to the non-carpet-type fiber now being used by our carpetmakers annually if this bill is enacted? Obviously all such wool finer than 46's will be replaced by the wools that can be admitted duty free.

So it is not exactly accurate to say, Mr. Chairman, that the wools which this bill would admit duty free are not competitive with domestic fibers. It is apparent that any of the noncarpet fibers now being used by carpetmakers would be replaced by the wool which this bill deals with. I think that is a fair assumption.

USDA OPPOSES THIS BILL

Let us look a little further for authority on this question of competition with fibers produced in this country. The Department of Agriculture reported to the committee as follows:

The proposal to permit duty-free importation of all wools for specific uses such as carpets may result, if enacted, in injury to the domestic wool producer. In addition to setting a precedent which may lead to other segments of the wool industry demanding similar concessions, this proposal would add to the uncertainties of the domestic wool market.

NOT PROPER WAY TO SEEK RELIEF

And finally, Mr. Chairman, it would seem that even admitting some relief to carpetmakers is desirable, the type of relief sought here by the Carpet Institute is in any event premature.

As has been pointed out, this legislation is based upon the allegation that carpetmakers in other countries are able to make carpets, competitive in quality with those produced in this country, and export them to this country, pay the present tariff, and sell at a price that makes it difficult for domestic manufacturers to meet the competition.

No one questions the fact that such competition, with our present high wage rates is of some moment. So far as the adequacy of available carpet-type wool is concerned, the Department of Agriculture reported to the committee the supply appears reasonably adequate, with most of our imports coming—as has always been true—from South America where production and carryover of carpet-type wool is on the increase. But foreign competitors—or at least some of them—do enjoy a competitive advantage over our own carpetmakers because of lower wages paid to the workers. Therein lies the foreign advantage. As a result of the competition thus developed, from 7 to 11 percent of carpets consumed in this country are imported. That constitutes the competition which prompted the Carpet Institute to sponsor this legislation.

ESCAPE CLAUSE USE IS PROPER PROCEDURE

This deals with international trade. It deals with the reciprocal trade law. It deals with the adequacy of protective tariff to prevent possible damage being done to an American industry—in this instance the carpet industry.

The Congress has wisely provided for relief when any domestic industry is threatened by foreign competition. In the Trade Agreements Act the standard escape clause provides, in essence, that either party to an agreement may withdraw or modify any concession made therein, if the article on which the concession enters in such increased quantities as to cause or threaten serious injury to the domestic industry producing like or directly competitive articles. And the Congress very wisely set out procedure for invoking that escape clause at the instance of a threatened American industry.

That would seem to be the proper procedure for the Carpet Institute to pursue. And I am informed such a request has been formally made by the institute. It is now pending before the Tariff Commission, and hearings have been set to begin within a few days. I wish them well. For relief the institute requests that imports be limited to 5 percent of domestic production, or that the rate of duty on imported carpets be raised from 22½ percent to 40 percent ad valorem to offset the present foreign competitive advantage.

It would seem, therefore,* that the Congress having enacted a law providing for a method of procedure to determine this issue, and having made appropriate relief available to the Carpet Institute, it would, to say the least, be premature and somewhat out of order now, at the very time when the request for administrative relief is pending, for the Congress to step in and in effect grab the ball away

from the Tariff Commission which the Congress has said should pass on this issue.

We all know that many American industries are feeling the pinch of foreign competition. That includes those who manufacture or produce glass, watches, bicycles, tile, various minerals, oil, and a hundred others. Is it now the policy of the Ways and Means Committee, as might be indicated from this legislation, to resolve these issues, industry-by-industry, in the Halls of the Congress?

It just seems to me that, in any event, the Carpet Institute should at least exhaust the relief which may be provided under the terms of the Trade Agreements Act before seeking special legislation of this kind.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from Washington.

Mr. HOLMES. I want to help the gentleman nail down that point he is now making and let us make it crystal clear. When you get these wools up to 40, 46, and 48, with that 10 percent in the 48 class, you are not only working on your felt people, but you are moving into clothing.

Mr. FISHER. That is right.

Mr. HOLMES. You are moving into clothing and, having handled considerable wool in my time, may I say that we grow a lot of clothing wool in this country.

Mr. FISHER. Indeed and in the class 40 to 46 up to 48 a considerable amount is converted and used for the manufacture of apparel. So we find ourselves in the situation here where on the one hand we are asked to protect an industry from unfair competition because of low-cost production abroad and at the same time and by the same move we are asked to create a disadvantage for competing American users. That is, the apparel people and others who can use the same kind of wool. It simply gives the carpet people a 17-cent advantage when they go in the world market to buy this kind of wool when they are competing with others in America who are buying the same wool.

Mr. MILLER of New York. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and fifteen Members are present, a quorum.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. JENKINS].

(Mr. JENKINS asked and was given permission to revise and extend his remarks.)

[Mr. JENKINS addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, as will be noted in the committee report on this bill, I, along with several others, filed a minority report and I rise in opposition to the legislation presently before us.

I do not blame the domestic carpet industry for complaining about the situation in which it finds itself as a result of competition from carpets and floor coverings made abroad. I believe they should have protection against that competition. But, Mr. Chairman, this bill takes the wrong road to provide that protection. You do not protect the domestic carpet industry by penalizing other domestic industries in this country. But that, fundamentally, is what this bill does. The exemption from the duty is accorded only to this one industry, the carpet industry, and this bill broadens it further and lets in additional grades of wool under a duty-free status.

Now, other industries in this country use this type of wool in the production of the products that they market, and I would cite as an example the paper maker's felt industry. Now, if we are going to be fair about the matter and if we are going to come to the conclusion that the domestic wool industry does not need the duty in order to give it protection, then let us just repeal the duty as it applies to any use to which this wool is put. But this bill discriminates in that it permits only the carpet industry to purchase abroad duty-free fibers in this classification.

I call your attention to some of the department reports in addition to the report of the Department of Agriculture as set forth in the report of the minority views. Let me call your attention, for instance, to the letter from the Secretary of Commerce dated May 10, I quote:

Wools having a fineness of over 40's but not more than 46's have a wide range of uses in addition to those specifically listed in present tariff paragraph 1101 (b) and the proposed legislation. Currently, imports of all wools of these grades, regardless of intended use, are subject to the payment of a substantial duty. For some years, these and lower-grade wools have been in limited world supply and there is no indication that this situation will change.

The enactment of the proposed legislation would permit the use of these 40's to 46's in the specified uses without the payment of duty. As a result, users of these wools for the specified purposes would have a marked advantage in competing for the limited supply.

Now, that is an advantage that we are giving to one industry over other domestic industries, and it is on that basis, Mr. Chairman, that I say this bill is unsound and should be defeated.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Virginia.

Mr. HARRISON of Virginia. I understand the gentleman disagrees with the statistics cited a few minutes ago from the Department of Agriculture that this wool is in plentiful supply.

Mr. BYRNES of Wisconsin. Well, I do not think that fundamentally goes to the issue that we have here, anyway. How can you discriminate between one user in this country as against another user and say one user can bring it in duty-free while the other user pays 17 to 25 cents?

Mr. HARRISON of Virginia. The gentleman was the one who made the argu-

ment as to whether it was in short supply or oversupply. It cannot be both.

Mr. BYRNES of Wisconsin. I will agree with the gentleman that it cannot be both, and I will say there may be a difference of opinion, but there should be no difference of opinion that if this Congress is going to act in justice and in equity it is going to treat all domestic industry in this country on the same basis and not discriminate as this bill discriminates.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Illinois.

Mr. MASON. This type of wool is in short supply in this country, but it is in great supply in Argentina.

Mr. BYRNES of Wisconsin. My understanding is that the world market is still short of these fibers.

Mr. MASON. That is true, but in Argentina they have a great supply of it. They have reduced the price 18 percent, and the Department of Agriculture just told us that today.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. MILLER of New York. The statistics which were quoted here on the floor as to the long supply of wool were in reference to these coarse grades of wool which are not produced in this country and which they can get from the Argentine, which even makes this bill worse, because at the present time the carpet industry can import duty-free this type of wool which is in long supply. But, what it is now given is a special advantage in the finer grades of wool from New Zealand and Australia, which are in short supply.

Mr. BYRNES of Wisconsin. I think we have gotten into confusion about the long and short supply and the finer fibers and so forth. As the gentleman from New York has pointed out, there is an international market shortage of the particular fibers covered by this bill, and that, of course, does complicate the legislation. No matter what the supply, my point is, Mr. Chairman, we have no right in this Congress to pick out one user and give him a preference over other domestic users.

Mr. McCULLOCH. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Chairman, I should like to join the distinguished gentleman from Wisconsin in his statements on the discriminatory nature of this proposed legislation. I think we are embarking upon a course of action that could be most dangerous. I think this proposed legislation should be defeated.

Mr. BYRNES of Wisconsin. I thank the gentleman. May I say one further word? What the proponents are really concerned about—and I am concerned about it, too—is the competition that our domestic carpet industry has from imported carpet. But the way to attack that is to impose duties and restrictions on the importation of foreign-made car-

pets and not to create discrimination between users of wool fibers.

Mr. REED. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SADLAK].

Mr. SADLAK. Mr. Chairman, I support the legislation before this committee—H. R. 2151, to permit the free entry of certain raw wool used in the manufacture of carpets. I have carefully studied this matter and I am convinced that this legislation is essential to preserve the American carpet industry in my great State of Connecticut and the other areas of our country where it exists.

Essentially there is no domestic production of carpet type wool in the United States. We are told by the domestic wool producers that this legislation will result in lower prices for wool; the papermaker felt manufacturers on the other hand have expressed the view that the legislation would cause a higher price for wool. Both of these contradictory contentions cannot be correct. It is correct to state, however, that our domestic carpet industry cannot survive in our domestic market unless their competitive position is improved vis-a-vis the foreign producer either through increased tariff protection or lower costs of raw materials. H. R. 2151 would result in the latter alternative of providing a lower cost of raw materials for the domestic industry.

The Committee on Ways and Means through a subcommittee on which I am privileged to serve has given careful consideration to this matter in public hearings. The legislation was further carefully considered in executive session by the full committee. Its meritorious purpose of seeking to preserve our domestic carpet factories and the jobs they provide is not only appropriate but it is vital to the persons in the industry. I therefore urge my colleagues to support this legislation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. SADLAK. I yield to the gentleman from West Virginia.

Mr. BAILEY. Is it not strange, indeed, that nobody on the Committee on Ways and Means has taken any interest in glassware and pottery? Does it mean that there is nobody on the committee interested in that particular domestic industry which is in worse shape than the carpet industry?

Mr. SADLAK. No; I will say to the gentleman that I am convinced that that opportunity will come when the extension of the reciprocal trade agreements is before the Committee on Ways and Means, commencing on February 17. I would say further that I understood that the carpet industry has made a request for an investigation by the Tariff Commission; and it is my further understanding that such investigation or hearing has been scheduled for May 10. As the gentleman well knows, after the hearing is held, the Tariff Commission has 9 months in which to make its recommendations. The relief, as I understand, is needed now. That is the reason why I am supporting this legislation.

Mr. BAILEY. I thank the gentleman for his answer, but it still does not answer the question as to why we cannot get a little action on some industries other than the carpet industry.

Mr. MILLS. Mr. Chairman, I ask unanimous consent that all members caring to do so may have permission to extend their remarks at this point in the RECORD on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. COFFIN. Mr. Chairman, I wish to voice my opposition to H. R. 2151, because of the adverse effect this legislation would have on certain segments of the wool-manufacturing industry. The bill is designed to benefit the carpet industry, which claims it is being injured by foreign competition. I am sympathetic to this argument, because I realize the problems which can be raised by sudden changes in an industry brought about by increased foreign competition. The woolen textile industry in my own State has suffered from this kind of competition. And I have worked with others in this House to help alleviate their situation. Nevertheless, I cannot support legislation which will benefit one domestic industry at the expense of another.

The Ways and Means Committee has presented a very fine report in support of the argument that the carpet industry must be aided. However, I fear that they have not given due weight to the burden which this legislation would place on such industries as the Papermakers' Felt Industry and other users of the same grades of wool which this legislation proposes to admit, duty free, for the exclusive use of the carpet industry.

The Papermakers' Felt Industry is composed of 11 companies with plants in 9 States; it employs approximately 5,000 persons. The industry, which has been declared essential for national defense, produces woven woolen felts for papermaking machinery and for other industrial uses. The industry uses large quantities of both domestic and foreign wool, and a substantial portion of its foreign wool is in grades covered by H. R. 2151.

Two of the 11 companies engaged in this operation are located in my own district. I cannot, in good conscience, stand by and watch these industries injured by discriminatory legislation.

The report of the Ways and Means Committee of the House on H. R. 2151 was issued prior to the action of the Carpet Institute in appealing for relief under the escape clause of the Trade Agreements Act. On January 22, 1958, the Carpet Institute filed a 48-page detailed petition on behalf of the industry before the United States Tariff Commission, alleging that the domestic carpet industry has been injured by foreign competition. The carpet industry, in its petition, has asked for a 17½ percent increase in the ad valorem duty on foreign-made carpets and an import quota of 5 percent on such carpets. A public

hearing has been scheduled for June 10, 1958, for this request.

It is my belief that in view of the possible damage to the wool-producing industry, the discrimination against other wool users by H. R. 2151, and particularly in view of the pending petition of the domestic carpet industry for relief under the escape clause of the Trade Agreements Act, this House should not now pass H. R. 2151.

Mr. MCCARTHY. Mr. Chairman, 2 years ago when this legislation was considered, the Wool Act of 1954 was firmly established with at least 2 years to run. Woolgrowers in the United States had the protection and the encouragement of that law. Today, the Wool Act is up for extension. There is some question as to whether it will be extended in existing form. Until final action is taken on the wool bill, action on this carpet wool bill does involve uncertainty and carries risk of weakening the market for domestic woolgrowers.

Mr. MARSHALL. Mr. Chairman, I am opposed to the enactment of H. R. 2151. The extension of the Wool Act which expires this year is not assured at this time. It is wrong to add still more confusion to the producers of wool in this country. Even if that were not so is it wise to permit by legislation the importation of wool on a free-duty basis? To an industry that has not proved its case to the Tariff Commission. There exists legislation under the escape clause that provides protection to distressed industries. I repeat, the carpet industry has not proved its case. Since it has not, why should we legislate? I don't feel we should.

Furthermore, why should we create in the consumptive field an inequality? To provide for one industry the use of low quality wool at a reduced rate creating hardship for another American industry is certainly not in the interest of fairness.

We are presently spending a considerable amount of money for utilization research for farm products. This includes wool. It is my belief we should use the results of the research to find our answer for some of these problems.

I join those who oppose this legislation. I don't think it necessary and certainly not in the interest of the sheep industry of the country.

Mr. ELLIOTT. Mr. Chairman, I oppose H. R. 2151.

The congressional district which I am privileged to represent produces some papermakers' felt.

The papermakers' felt people, and their employees, and their friends feel that the passage of this bill will jeopardize their ability to obtain the wool they need from the world wool market. It appears that there is a shortage of the supply of wool needed. This bill, as I see it, will put a squeeze on the existing supply.

Mr. Chairman, the Seventh Congressional District of Alabama does not have any carpet making factories. It does not have many wool producers. It does have a fine large plant engaged in the manufacture of papermakers' felt.

In this case, as in the past, I take a position with the people I represent and will oppose this bill. Every expression from my district has been against this bill.

I want to read a telegram from the Aliceville Chamber of Commerce wired by its president, Mr. D. B. Love. He urges me to oppose this bill with reference to "the importation of certain foreign wools which is to advantage of carpet industry, but to disadvantage of felt industry. Our local plant of F. C. Huyck & Sons will be seriously affected if this bill passes."

This telegram is in line with many other communications received by me about this bill, and I, therefore, oppose it.

Mr. DONOHUE. Mr. Chairman, I very earnestly request the most sympathetic consideration of our colleagues to the beneficial effects of H. R. 2151 and particularly to the substantial assistance it will bring to those areas where the unemployment rolls are daily and dangerously increasing.

Let me, please, remind you that the precedent for the admittance, duty free, of wools used to make carpets and rugs has been in the law since 1913. Currently wools up to grade 40s, and the so-called name wools, are admitted duty free if they go into rugs and carpets.

For a clearer understanding of the situation, I would like to emphasize that foreign manufacturers of carpets have access, duty free, to wools in the 40s-46s grades. They purchase these wools, make them into carpets, and then import them into the United States. Obviously this procedure visits discrimination against our domestic carpet industry which cannot get the raw materials that are readily available to competitors abroad. Meanwhile, imports of carpets into the United States are steadily increasing to the detriment of our own industry and the welfare of the industry employees.

To those who express the sincere question of injury imposed upon our domestic wool industry, let me point out that the distinguished chairman of this committee informs us that his body very conscientiously investigated that contention and found it to be without any factual foundation.

Let us further note that the suspension of duty proposed is only for a period of 3 years. Also, the wool admitted under the provisions of this bill must be used for carpets since it is admitted under bond for that purpose and cannot be diverted to other uses without payment of duty.

The overwhelming evidence, including favorable reports from the Departments of State, Treasury, and Labor, presented in support of this measure makes it very clear that the bill does not impose injury upon other segments of the wool industry, that it will be of substantial help to our declining wool carpet industry and that it will provide continuing employment for taxpaying American citizens. On its merits this measure should inspire favorable action and I hope that the House will pass it without further prolonged debate.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, I think the gentleman from Wisconsin has placed a finger very squarely on the issue before us today. There is no division in this House over whether or not it is desirable to help the carpet industry. Certainly we all want to help the carpet industry. But I think the implications at least of this bill include a philosophy that does appear to rob Peter to pay Paul. I realize that the carpet industry is larger for example than the papermakers felt industry, but I do not think anyone here would suggest that to help one American industry we should consider only its size and in the process we should destroy or cripple another industry.

The papermakers felt industry has 11 companies with plants in 9 States. It employs about 5,000 persons. It has been declared an essential industry for national defense. It uses large quantities of both domestic and foreign wool. A substantial part of its foreign wool is in grades covered by H. R. 2151.

I think there are other remedies which can be invoked in our Government to help the carpet industry. I do not believe we are going to produce anything but chaos by constantly reaching out to help one segment of our economy at the expense of another. I think that is economic tinkering of the worst kind.

In this instance the people who are going to be hurt are the people who are not in direct competition with the carpet industry, only in competition with them for these scarce wools which they must bid upon abroad. There could be a differential of as much as 32 cents a pound between the bidding carpet industry representative and the bidding felt company representative in a foreign market. The end result of that would have to be the destruction or the crippling of the felt industry and other industries in this country.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Alabama.

Mr. ELLIOTT. Is it the gentleman's opinion that the passage of this legislation will do irreparable harm to the papermakers felt industry?

Mr. O'BRIEN of New York. It is my belief and it is the belief of the felt industry that that will result.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from South Carolina.

Mr. RIVERS. Is it not definitely true beyond peradventure of a doubt that this legislation discriminates against one segment of American industry and favors another, for a product which is in short supply, giving one the advantage over the other to get what is in short supply on the world market?

Mr. O'BRIEN of New York. If you have 32 cents a pound more to pay for that short-supply wool you are going to be in a strong competitive position and the other fellow is going to be in a worse position.

Mr. RIVERS. Can the gentleman imagine that the Committee on Ways and Means, which supposedly serves all taxpayers with the same spoon, would be a party to this?

Mr. O'BRIEN of New York. I would have to say my respect for the Committee on Ways and Means is very high, indeed. Their purposes here today are laudable and very sincere. I just happen to think they are wrong.

Mr. RIVERS. I join with the gentleman, but anybody can make a mistake and this is a classic example.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield to the gentleman from Iowa.

Mr. HOEVEN. I simply want to say that the wool and sheep growers of my congressional district and of the State of Iowa are opposed to this legislation. I expect to vote against the bill.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. SMITH of Mississippi. I am at a loss to understand the gentleman's statement about how this wool is in short supply whereas some of the opponents of the bill are telling us about the great surplus that exists in Argentina and elsewhere. If that surplus exists, I suggest that the papermakers felt industry ought to investigate and get some of that surplus, and you would not have any problem in that industry.

Mr. O'BRIEN of New York. I am sure the papermaker felt industry would not be quarreling about something that does not exist because they do not compete with the carpetmaker in selling their goods in this country. If it were not in short supply, I do not think they would raise their voice here through me or anyone else.

Mr. SMITH of Mississippi. But the distinguished opponents of this bill, the gentleman from Illinois and the gentleman from Utah, say that they received information this morning that there was no short supply and that the price had fallen 18 percent and continues to fall.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REED. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from New York [Mr. TABER]. May I say with reference to the gentleman from New York that this House knows his fine record here in the Congress and what he has meant to this country. I hope for that reason you will give him your very close attention.

Mr. TABER. Mr. Chairman, I am especially interested in this bill because I have a couple of carpet factories in my district that are a fine asset to the community. Let us see what the situation is and let us see what there is to this story that this is discriminatory legislation. When the Tariff Act of 1930 was passed, certain quantities of wool which was available for carpet wool were exempt from duty. As time went on that figure was increased to the .40 wool. Now it is asked that that exemption be increased up to .46 wool. Why is that? It is because there is little de-

mand for and little production in the United States of wool having a rating of .46 and less. The domestic producers of wool would not be hurt in the slightest degree by the adoption of this bill. Frankly, I have joined with these people many times to secure the support which I felt they needed in order that there might be sufficient wool available in the United States so that we could take care of our situation domestically and militarily. I have voted for the bill which set them up in this position. I hate to see them, when something does not hurt them a bit, and when the things it is sought to have brought in here are not in competition with domestic wool—I hate to see them sliding out. Here is the situation. There is nothing of a discriminatory nature about this bill. Let me say to you that the papermaker felt industry has a compensatory tariff of 37½ cents a pound in addition to the 15 percent ad valorem duty so that they are not in bad shape. But, on top of that, and that is only a little bit of it, the wool that they use in the paper-making felt is only a very small percentage and they would not be hurt a bit in my opinion.

Mr. HARRISON of Virginia. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HARRISON of Virginia. In connection with this claimed discrimination, no mention has as yet been made in this debate by the proponents of this measure that the paper maker felt people have a special compensatory duty advantage of 37½ cents a pound on imports of paper maker felt. Such an advantage is not available to the carpet manufacturers of this country. Is the gentleman aware of the fact that in the hearings on this matter before the Committee on Ways and Means the representatives of the paper maker felt people were asked whether or not they would be willing to go into this bill under the exact same footing as the carpet people and forego the special compensatory advantage, and they said they would not.

Mr. TABER. I am glad to have that additional proof that there is no discrimination in this bill.

For my part, I have always stood and always expect to stand, as long as it is my privilege to serve in the House, for the protection, fairly and honestly, of American industry, and opportunity for it to succeed and to build up our industrial position so that we will be able when the time comes, if it ever does come, to hold up our end domestically and to supply our Army.

Now, if this bill is passed, there will be an increase in the demand for wool because of the fact that that duty is removed. The duty is 17½ cents a pound. Because of the removal of that duty the carpet makers of the United States will be able to meet competition with the British, the Germans, the Netherlands, and the rest of the countries abroad who are able to beat us because they do not have to pay any duty on the majority of their wool. In Britain they do not have the quantity of carpet wool that is necessary to keep their plants turning, and they have to

import. Perhaps they do not import from Russia. I do not know anything about that, but they import from some place. They import duty free. British wool that is raised in England is practically all used there, and most of it is of too high a grade to turn into carpeting. Wool of that high rating is not the kind of wool that is suitable for carpets. It is not as good for carpets as the coarser wool of the lower number. Nobody is going to use that sort of wool if he can get cheaper wool that is exempt from duty under this bill.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. HILL. I heard what the gentleman said a moment ago concerning the wool bill extension that we shall have under consideration later. I have a bill for that purpose, and I assure the gentleman that I am one who is for the extension of the wool bill and I expect to support the gentleman's stand on this legislation.

Mr. TABER. I am glad to hear the gentleman say that, because I believe that kind of stand is in the interest of the wool growers of the United States.

I hope we will realize the situation that the United States is in and that we must take care of our industries and see that every opportunity is given to build them up. I hope, therefore, the Members of this House when they come to vote on this bill will not be influenced by statements that cannot be borne out by evidence, but that they will go along with us in trying to provide the relief afforded in this bill for the carpet industry of the country. I thank you.

Mr. HARRISON of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. O'NEILL].

Mr. O'NEILL. Mr. Chairman, I rise in support of the Harrison bill.

Mr. Chairman, at the close of World War II New England was the textile and carpetmaking center of this great country of ours. Shortly after World War II we lost much of our textile and particularly the carpet industry largely because of tax advantages, cheaper labor in other sections of the country, new and modern buildings, nearness of the source, and so forth. Some 12 years have now gone by and those whom we accused of stealing our industries from us have been organized and they are confronted with the same problems with regard to the carpet industry and textiles that we in New England experience.

What does this bill do? Actually this bill means more American jobs; it means saving a dying American industry. We still have up in the New England area and in the northeastern area of the country a large number of cotton and woolen mills, and I am happy to join here with the gentleman from Mississippi [Mr. SMITH] and the gentleman from Virginia [Mr. HARRISON], who are now confronted with trying to solve the problems that likewise affect us in New England and the Northeast and have affected us for so many years.

The arguments I have to make in favor of the bill have naturally been

given to me by the owners and operators and employers of the woolen carpet mills. I have to believe what they say. They say that all the wools used by the domestic carpet industry are coarse wools produced primarily by unimproved breeds of sheep. In recent years many countries have up-bred their sheep, and the finer wools resulting are not suitable for carpets. Also, China and other Iron Curtain countries once were important sources of carpet wools for the domestic industry. These wools are not now available to the United States.

They talk about foreign manufacturers. Foreign manufacturers of carpets have access, duty free, to wools in the 40 to 46 grades. They buy these wools and make them into carpets, some of which are imported into the United States. The situation discriminates against the domestic carpet industry which cannot get the raw materials that are available to its competitors abroad. Meanwhile, imports of carpets into the United States are steadily increasing.

This industry is badly in need of help; this bill is a means of saving the industry. It will mean a continued availability of woolen carpets.

It will mean continued opportunity for American labor to compete with low-cost foreign labor by equalizing opportunity of obtaining raw material.

And I repeat, the passage of the Harrison bill means the saving of American jobs and the saving of the woolen carpet industry.

Mr. Chairman, I hope that the Harrison bill is enacted into law.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman from West Virginia.

Mr. BAILEY. I am in sympathy with the problem that the gentleman has in New England in connection with their textile mills and their carpet mills and in their operations. That is one of the things I have been fighting for—stockpiling—for the last 12 years. Naturally, I am sympathetic with what is going on here, but when I get to making inquiry I find most of the people who support this bill happen to have carpet manufacturing plants in their districts.

Mr. O'NEILL. That is true, and those who are opposing have felt industries in their districts.

Mr. BAILEY. The Wool Growers Association of West Virginia and the National Wool Growers Association are opposed to it, and since I do not have any carpet mills in my district maybe I better go along with the woolgrowers in my State. I want to do what is best here but I do not want this whole program whittled down, one at a time being taken care of, this little group here and that little group.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. MILLER].

Mr. MILLER of New York. Mr. Chairman, I rise in opposition to this piece of legislation; yet I concur with

the observations made by my distinguished and beloved colleague from New York. Certainly I do not want to see any ghost towns or any segment of our economy or any particular industry suffer or be injured. As a matter of fact, we who have opposed this legislation all through the years have simply taken the position that the carpet industry needed help and needed that help badly, but that the American approach to the salvation of an American industry was not to destroy another American industry in the course of this salvation.

In my congressional district there is a small town of about 1,500 people. In this town is a papermakers' felt industry which employs about 300 people. If this felt company were to go out of business there would be in my congressional district a ghost town.

The situation is simply that the felt industry, making papermakers' felt, uses the 42, 44, 46, and 48 grades of wool and purchases a great amount of that wool from New Zealand and Australia. In the foreign market those grades of wool are in short supply. If this bill is passed and the carpet people who use a tremendous amount of this particular wool, whose demand for the wool is far greater than the small business I am referring to, invade this market, which is in short supply and which gives them a 17-cent tariff advantage, in other words the industry in my district has to pay a 17-cent-per-pound tariff, you can appreciate the terrific advantage the carpet people would have. They would not have to pay this 17 cents and they could outbid the feltmaking people in the foreign markets up to 15 or 16 cents per pound and still bring it in cheaper than can the felt people.

The cost of the raw material in papermakers' felt operation is the major cost of the operation. It is almost as large as the cost of labor. A 17-cent differential in cost to the papermakers' felt industry would ultimately result in its ruin.

Now, the point is this. Is it necessary to ruin one American industry in order to save the carpet industry? I have before me now a notice dated only a few days ago, January 30, 1958, published by the United States Tariff Commission, in which the carpet people just a couple of weeks ago made application, as they should have a long time ago before the Tariff Commission, for the invocation of the discretion by the President under the general agreement on tariffs and trade and under the escape clause provision to increase the tariff on the importation of carpets. By that increase in tariff you save the local carpet industry without hurting any other American industry, which is the basic American approach to this problem.

At the present time what is the situation? We have pending in this House a bill to discriminate in favor of the carpet people to the extent of 17 cents a pound tariff on these particular grades of wool used by other American industries and at the same time you have an application pending before the United States Tariff Commission requesting that the President invoke the escape clause provision increasing the tariff on

imported fabrics. If both happen, the carpet industry will have more than they need, and the only result would be the destruction of a local industry. I say the logical, sensible approach to this problem is to let the carpet industry exhaust their administrative remedy before the Tariff Commission before we get into these premises in a discriminatory way and endanger the solvency of one segment of our economy, namely, the papermakers' felt industry, and if you destroy that industry, you endanger the paper industry of the country, for all paper industries are dependent upon the local felt industry to make the felts which go on the paper machines which produce the paper.

Mr. REED. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. BERRY].

(Mr. BERRY asked and was given permission to revise and extend his remarks.)

Mr. BERRY. Mr. Chairman, as has been heretofore stated, because of the policy adopted by Congress, the administration and the Tariff Commission, who refused to provide the domestic producer with a protective tariff, the sheep and wool industry was dealt a body blow during World War II. As a result of the policy, we were raising less than one-fourth of the wool which was actually being used in the United States.

The millions of acres in this country which were taken out of production of sheep were converted to cattle and grain crops. The surplus production of both resulted in the Government being requested to support both cattle and grain crops in order to maintain an artificial cost-of-production price.

Because of the critical condition of agriculture, one of the steps taken 4 years ago in an effort to help relieve the burdensome surpluses was the passage of the National Wool Act. One of the major objectives of the act was to increase the minimum production of domestic wool to 300 million pounds of shorn wool for strategic purposes and the economic security of the Nation. By "economic security of the Nation," Congress not only referred to those engaged in the sheep industry, but likewise all segments of agriculture, as range and crop acreages would be taken out of production of surplus crops and converted into the production of wool and lamb, which was, and still is, in seriously short supply.

In spite of the fact that the National Wool Act has been in operation for almost 4 years, the goal of 300 million pounds of shorn wool has been only about three-fourths achieved. Domestic wool production today is only about one-third of domestic consumption. Domestic wool production will be increased only if domestic producers have reasonable assurance that the business they are building will not have the carpet jerked out from under them as soon as they become established again.

It was with this view in mind that the administration gave to the sheep and wool industry its assurance that the tariff protection in effect in 1954, when the act was passed, would not be disturbed during the life of the act.

In his testimony before the Senate committee at the time of the hearings on the wool bill, Ross Rizley, speaking for the Department of Agriculture and the administration, testified:

The program would be self-financing. The tariff established to protect the domestic industry would be continued—

And so forth. This statement both he and Frank Imasche, as well as the Department of Agriculture, repeated on several occasions.

The administration and the Tariff Commission do not propose at this time or during the life of the act to change the tariff structure on wool. Proponents of this bill have come to Congress asking us to break the agreement we made, and the administration made, with the sheep and wool industry 4 years ago.

CARPET INDUSTRY IN DISTRESS

There is no question but that the carpet industry is in distress. Under the General Agreements on Tariff and Trades in 1948, rates were lowered from 40 to 30 cents. Under the GATT effective in 1951, they were reduced to 25 percent, and in 1956 they were reduced still more. From 1948 to 1956 carpet imports increased 334 percent. During the same period the industry's costs have gone up in a much greater ratio than the costs of their foreign competitors.

The carpet industry makes much of the fact that they are permitted to buy only named wools and wools no finer than 40's, duty free, while their competitors in most of the foreign countries are able to buy wools no finer than 46's duty free. That, plus the fact that their foreign competitors are permitted to buy from Red China and Tibet, while domestic industry is not.

The industry points out that on all imported wools they use, of fineness between 40's and 46's, they are required to pay a duty of from 17 to 27 cents per clean pound. They also state that—

All fabrics of wool, with the exception of carpets, are protected from this type of discrimination by the levying of a compensatory duty. (Schedule 11 of the Tariff Act.)

My question is, why—why is the carpet industry not in here asking that Congress protect them, and their industry, by amending the Tariff Act requiring the payment of a compensatory duty on all that portion of imported carpet yardage manufactured from wools finer than 40's?

I submit to you that is the American way. Why do they not ask the foreign importers to pay the subsidy needed by their industry instead of asking the American farmer to compensate them with a subsidy from his product in order that they can meet foreign competition? Why do they propose to make the American sheepman subservient to his foreign competitor—rather than facing up to their own problem of meeting their foreign competition?

APPLICATION FOR TARIFF INCREASE

On January 22, 1958, the Carpet Institute, Inc., filed application with the United States Tariff Commission for investigation and increase of the tariff rates under the provisions of section 7 of

the Trade Agreements Extension Act of 1951, as amended.

On January 30, 1958, the Tariff Commission issued an order setting out that such an application had been filed, alleging that as a result of tariff concessions granted under the act, carpet material is being imported into the United States in such quantities as to threaten serious injury to the domestic industry producing like or directly competitive products. The commission set June 10, 1958, at 10:00 o'clock in the morning as a date for hearing upon such application.

In other words, pending the time that a hearing is to be held upon the increase of the tariff rate by the United States Tariff Commission, the Congress is asked to remove by legislation most of the need for such tariff increase.

There is no question, Mr. Chairman, but that a tariff increase should and must be granted to this industry. To do otherwise is to destroy part of the basis of the American standard of living, and every Member of Congress should file notice today that he wishes to be heard on this matter.

But this is no time—here on the 4th of February—4 months ahead of the hearing date before the commission, for Congress to assume that the commission will not take appropriate and necessary action. This is no time to pass legislation crippling another domestic industry for 3 years, when none of us will know for 4 months yet whether the relief sought in this bill is necessary or even helpful to the carpet industry.

This is no time to act on a bill having such far-reaching effect on the rural economy of the Nation, when the whole difficulty may well be handled—as it should be handled—by a protective tariff, protecting the domestic carpet industry.

Not only that, Mr. Chairman, but as the Tariff Commission is granting a protective tariff rate to the carpet industry, it may likewise do, as should be done, and provide a compensatory duty on imports of carpet yardage containing wools finer than 40's which is equal to the 17 to 27 cents duty on raw wools imported into this country.

Let us not forget that the Tariff Commission is an arm of the Congress. It was established by the Congress in order that Congress would not need to spend its time wrestling with the problem of intricate tariff legislation such as the legislation before use today.

U. S. S. R. IMPORTS

Under the law as it exists today, countries behind the Iron Curtain are not affected by the GATT agreements. In other words, non-Communist countries can import clean wool into the United States by paying a duty of 17 cents on 40's to 44's and 25½ cents on 44's to 46's, whereas Iron Curtain countries must still operate under the original 1930 act and pay 29 and 34 cents on the same grades.

This bill (H. R. 2151) proposes to amend section A of paragraph 1101 of the original 1930 Act, which would mean that Iron Curtain countries would be permitted to import wools as fine as 46's with a 10 percent tolerance for 48's,

duty free, when used in the carpet industry.

We should bear in mind that the U. S. S. R. is an importer of coarse wools, whereas they export wools finer than 40's. If this bill should pass, it would open the door for the importation of Communist wools duty free, in direct competition to the domestic wool producer.

Your answer to that is that the Iron Curtain countries can import into this country only after obtaining a license to import, which is issued by the Foreign Assets Authority, an arm of the State Department.

My reply to that argument is that the Foreign Assets Authority is composed of men who are pretty human, and if the carpet boys put as much heat on them for the issuance of a license as they have put on Congress for this revision of the tariff law, they are pretty liable to get a license permitting imports of these finer wools from Communist countries and from Communist dominated countries.

Since this bill has a closed rule and no amendments are permitted, it is my suggestion, Mr. Chairman, that if the tariff laws have to be amended, this bill be recommitted to the committee making the amendment applicable to GATT treaties and not to the basic tariff law which would open the gates to Communist imports.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from South Carolina.

Mr. RIVERS. The carpet industry has a case now before the Tariff Commission.

Mr. BERRY. I will come to that in a minute.

Mr. RIVERS. So their remedy should be first exhausted there before coming in here if they come here.

Mr. BERRY. That is correct. I will say to the gentleman that hearings on this case started by the carpet industry have been set for the 10th of June of this year, and I say that every Member of this Congress should today file notice that they wish to appear and speak before the Tariff Commission.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman.

Mr. BALDWIN. Mr. Chairman, I should like to congratulate the gentleman on the statement he is making. It seems to me this very bill and the nature of it implies that there must be some adverse effect on the wool industry, when they state specifically that they are limiting it to the carpet industry. If they did not feel there was some adverse effect, they would make it applicable to everybody and have wool come in free.

Mr. BERRY. Yes; and let me say to the gentleman that I think we are 4 months ahead today in considering this bill. We should wait because, after all, the Tariff Commission is an arm of the Congress, and we should wait until after the Tariff Commission has acted.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield.

Mr. BAILEY. Does not the gentleman think, in view of what has happened to the last 12 decisions of the Tariff Commission that the wool growers of this country are wasting their time going down there?

Mr. BERRY. The gentleman means the carpetmakers; I would say this. If the carpet boys are as diligent in their fight in the Tariff Commission as they have been in their fight in Congress I would say the Tariff Commission will give them their relief.

Mr. BAILEY. Yes, but after they do that, then whatever Secretary Weeks or Secretary Dulles advises the President to do, that is what they will get.

Mr. BERRY. Mr. Chairman, there is one more point that I want to make, and that is this. I do not believe the bill we have before us today is doing the thing that the carpet people want. We are amending the original act of 1930. We are amending paragraph (a) of section 1101. Under that provision all countries are required to pay an import duty. Then under GATT we cut this down to countries outside of the Iron Curtain. But if we amend the original act here, we will be permitting the import of wool from Iron Curtain countries absolutely free.

Mr. HARRISON of Virginia. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I would like to emphasize two points in regard to the desirability of this bill that have not been properly understood by the members of the committee in view of some of the reaction that has been demonstrated and the talks that have been made. The suggestion has been made that the carpet industry apply for relief under the escape clause of the Reciprocal Trade Agreements Act. Assuming that action were taken, there are two things that would be wrong with that action from the standpoint of the American public in general and the carpet industry in particular.

First of all, the remedy would be no solution to the problem of supply for that particular type of lower grade wool. The supply is in shortage all over the world and no matter what the remedy was in regard to the extra cost or in regard to competition, they would still have to pay an extra amount for something that is not produced here. They would have to pay a duty on something which is not in competition with any American product.

More important than that I think from the standpoint of protecting the industry and the American public in general is that the remedy we would offer to them or the remedy we would turn to is to get something that will put prices up, that will make the cost of the product higher to the American public, that will make it more costly to the American consumer.

The remedy that is sought here in this bill is to find a way to get these raw materials as cheaply as possible so that they will be made available to the American consumer as cheaply as possible.

I think that if we turn aside and seek any other solution to that we will

be directly imposing an additional cost upon the consumer, who we hope will have such a standard of living that he can use these carpets to the greatest advantage in his home or various other places where they are used throughout the country.

This bill is not designed in any way to affect adversely any other type of industry in the country. It will perhaps cut down a little bit the advantage that the papermakers' felt industry presently enjoys in seeking these items that are in short supply, but it certainly will be no additional disadvantage to that industry. The papermakers' felt industry is not going to go out of business as a result of whatever happens here. That particular product is essential to the manufacturing of paper in this country. All of us know what the demand for paper is and know how it has expanded in the recent past. The industry has expanded, too, along with the increased demand for and production of paper.

I do not believe we have to have any fear here about involving any other industry. Of course the wool industry, or rather the various lobbyists for the wool-growers, are unhappy about this proposal, but these woolgrowers are unhappy even about their present support program of over 100 percent of parity, because they have introduced bills to extend it and perfect it and enlarge it. They are not happy about the present system. I think they have a higher support than any other type of agricultural commodity we know anything about.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Texas.

Mr. FISHER. I checked with the Department of Agriculture. The support price of wool is lower than 95 percent of parity.

Mr. SMITH of Mississippi. I am glad to have that correction. I want to point out that the support is higher than that of any other major commodity that is given support today. I think that if we move toward further restriction on the availability of wool in this country we are moving toward higher cost for the consumer, we are moving toward new loss of markets for wool, just as we will be losing markets for other agricultural products to synthetic fibers, which can be produced at a much cheaper rate.

Mr. REED. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Illinois [Mr. COLLIER].

Mr. COLLIER. Mr. Chairman, the benefits of the legislation before us today with regard to what it will contribute to American labor and to our economy in general have already been very adequately described, so I shall be brief in pointing out just one other benefit of this legislation that has not been touched upon too much this afternoon.

For more than a century and a half the American carpet industry has produced woolen soft surface coverings for domestic use. The industry is almost completely dependent upon certain specific coarse types of wool which are not

produced in the United States. These wools must be imported from countries which use sheep flocks which are of the undeveloped and of the coarse grade types that produce the coarse wool necessary to the manufacturer of carpeting. Since 1890, wools in the manufacture of carpets in this country have been admitted without payment of import duty up to grade 40. Until rather recently, there has been a sufficient supply of this type of wool. However, today the available supply of these grades of wool have been greatly reduced by the complete lack of trade with such Iron Curtain countries as China and Tibet. Diminishing supplies of these grades of wool together with the increased demands by the world carpet industry has created what we all know to be a very serious shortage in the United States and one which undoubtedly will get more serious as times goes on. I believe, Mr. Chairman, the enactment of H. R. 2151 is the only answer to the problem which the carpet industry faces today. I believe it is highly essential if this industry in our own country is to even compete with foreign markets for the increased numbers of grades of wool without affecting domestic production of wool or any domestic industry that this legislation be passed. With regard to the objection of discrimination that has been brought up here, let me point out, if I may, that practically every type of legislation that comes to this floor can be construed as discriminatory, if we look at it in the manner in which we are looking at this legislation. How many times do we come here with legislation designed to help in solving an immediate problem for one section of the country or for one segment of our people. That is what the Congress is here for, and certainly we are faced today with a problem of helping one segment of our industry which definitely needs help. Certainly, that cannot be looked upon as discriminatory legislation. I hope Members of the House will support this bill because the demand in the United States for carpeting of all kinds has increased with the higher standard of living and with the increased population in the country. There are now more than 15,000 retail establishments with a vast populace of employees in this country, and I might add in my own district as well, from the east coast to California. They are vitally concerned with this problem. They are concerned because of their job to best serve the demands of the American homemaker. There can be no denial of the fact that we need additional wool that will be made available through this legislation to enable the retailer to supply normal demands which now exist. Let me say in closing, notwithstanding the fact that my basic philosophy is one that is for a sound protective tariff, the circumstances and conditions in the wool supply market today make the passage of this bill desirable and essential not only to the industry itself but to provide carpeting at prices that the American people can afford to pay.

The CHARIMAN. The time of the gentleman has expired.

Mr. REED. Mr. Chairman, I yield 5 minutes to the gentleman from Wyoming [Mr. THOMSON].

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. THOMSON of Wyoming. I yield.

(Mr. DIXON asked and was given permission to extend his remarks following the remarks of the gentleman from Wyoming.)

Mr. THOMSON of Wyoming. Mr. Chairman, it is with reluctance that I disagree with many of my good friends who are supporting this bill. I know that they and I believe in the same principles of protecting American business, labor, industry, and agriculture. I would like to be helpful to them so far as this carpet industry is concerned. I, too, do not like to see American business shutting down with the loss of jobs to American labor any place in this country. But I cannot understand how by penalizing some other industry and shutting it down we are going to be able to help this situation. I think that those who really believe in protecting American industry, business, labor, and agriculture will have their opportunity to stand up and be counted when we vote upon reciprocal-trade legislation. I will be among those present and among those counted. I cannot support this bill for some very simple reasons. Carpeting wools have been admitted duty free because they are unimproved wools not competing with the wools grown in this country and wool used for clothing and other purposes. The carpet manufacturers, however, now want a special privilege in this legislation permitting them to bring in duty free finer wool which we do raise in this country and which would compete with the manufacturers of blankets, sport coats, overcoats, and other items of manufacture. This could result in a complete breakdown of our entire tariff structure, because you cannot prefer one over the other for long, and be fair. There are increasing numbers of our producers in this country that are raising this type of wool. The Department of Agriculture is making a study to determine how much, and has not had time to complete it. Regardless of that the purpose of this bill is to raise the type of wool that can be brought in duty free, to grades 46, with a 10-percent tolerance for 48. That wool is raised in this country. I am sympathetic to the carpet-wool manufacturers. They claim that their need for relief is based on the fact that imports of cheaply produced carpets have hurt their industry, but I submit to you, and it is my firm belief, and I believe the belief of those of us opposing this bill, that the solution to their problem lies in adequate tariff protection against those imports.

As I have indicated previously, I will continue in my effort to protect American business, industry, labor, and agriculture from cheap foreign labor which is their primary problem.

Statements were made on the floor today about the textile industry in New England. It was having its difficulties too. But of course in that case no amount of tariff relief is going to help

them. We must have an increase in tariffs. I submit that is the solution in this instance. I hope the House votes this bill down. I hope the reciprocal-trade legislation can correct the situation. I will fully support my friends in those industries who have to compete with cheap foreign imports, before the Tariff Commission or otherwise.

Mr. TEAGUE of California. Do I understand that the gentleman takes the position that this is discriminatory legislation?

Mr. THOMSON of Wyoming. I think it discriminates against all other industries that use this type of wool. There are several of them.

In 1956 we had in the Commodity Credit wool stockpile 11½ million pounds of 46's and 48's, the type of wool involved here. I think we raise some eighteen million pounds of it per year. It will discriminate against the wool industry and all other industries that use those grades of wool.

Mr. TEAGUE of California. That was my opinion, but I wanted to be sure that I understood you correctly.

Mr. DIXON. Mr. Chairman, I oppose H. R. 2151 and do not believe it should be passed by the House for the following reasons:

First. This bill was opposed by the Department of Agriculture, but USDA officials were never invited to testify before the Ways and Means Committee to elaborate the reasons for their opposition. The bill is also vigorously opposed by State and national woolgrowers organizations.

Second. H. R. 2151 would directly contradict Government policy as expressed in statute by the Wool Act of 1954. Congress recognized that the serious drop in wool production was imperiling our national defense, since wool cannot be matched for warmth to clothe our servicemen in the event of war. The United States Tariff Commission urged an increase in import duties on wool. The President and Congress instead of raising tariffs agreed to maintain them at existing levels and based on these tariff levels to institute incentive compensatory payments to encourage an expansion of the flocks of sheep.

American wool production is still 40 percent lower than at the beginning of World War II. We are still far from the congressionally approved aim of domestic production at a minimum of 300 million pounds of shorn wool a year. Current production is approximately 225 million pounds.

Yet H. R. 2151 would fly in the face of congressional policy of encouraging expansion in the domestic wool industry by allowing competitive foreign wools to enter the country duty-free.

Third. Although H. R. 2151 does not authorize Federal appropriations, it will be costly to the taxpayers. First, it will reduce tariff revenue from the wool duty. Second, by driving down the price of domestic coarse wool, it will increase the amount of the incentive payments paid by the Government. For every cent wool goes down in price, Government pays \$2 million to \$3 million.

Fourth. Allowing wool of grades 40 to 46 to enter the country duty-free for

carpet manufacturing would be a discriminatory wedge into tariff reductions which could do considerable harm to our domestic industry. This would be the first tariff to break in improved wools, and would likely be followed by moves to eliminate the tariff for even finer grades of wool.

Furthermore, H. R. 2151 would remove the tariff from coarse wools used in carpet manufacturing, but would not affect the same grades of wool used for other purposes. If this legislation passes, other users will undoubtedly demand equal treatment. For example, on July 30 of last year Clarence Bishop of the Pendleton Woolen Mills, who opposes this legislation, was speaking with Ed Marsh, secretary of the National Wool Growers. Mr. Bishop expressed the position that if this tariff concession were made to the carpet manufacturers the woolen mills would want equal treatment. He pointed out that Pendleton uses grades 36 to 46 wool for fume bags to filter fumes at smelters and uses grade 46's for some blankets. These coarse wools are also used in some overcoats and sport coats. At present H. R. 2151 is special legislation designed for the benefit of a single industry, but it could open the floodgates of tariff concessions to foreign producers which would ultimately ruin the domestic industry.

Fifth. There is no shortage of wool already in the duty-free category for carpet manufacturers. For example, imports into the United States of duty-free wools during the first 11 months of 1957 were 114 million pounds of clean wool. During the same period in 1956, imports were 135 million pounds. The decrease in imports does not represent a smaller foreign supply, but a reduced domestic demand. This is demonstrated by the fact that Argentina's carryover as of October 1, 1957, was 50 million pounds compared with only 30 million pounds on October 1 of the previous year. Furthermore, the supply and demand relationship represents itself in price and carpet wool prices declined during 1957. For example, Argentina carpet wools coming into Boston dropped 18 percent in price between May 1957 and January 24, 1958. This further demonstrates the adequacy of the supply of foreign coarse wool in the duty-free category. Furthermore, an increase in coarse wool production is expected in Argentina as a result of the new Government policies favoring the sheep industry. This is important because Argentina has for two decades been the largest supplier of carpet wools to the United States. New Zealand is the second leading supplier of carpet wool, and production is increasing rapidly as a result of improved pasture.

Sixth. Domestic production of grades 40 to 46 wool is increasing. Officials of the National Wool Growers Association last September asked the Carpet Institute people if they could give any reasons why American improved coarse wool would not be as satisfactory for carpet manufacturing as foreign improved wools. As yet there has been no answer. However, the Department of Agriculture has solicited the cooperation

of the carpet manufacturers to make a scientific study of similarities and differences in the characteristics of foreign and domestic wools of the grades with which this legislation deals. In the absence of proof from carpet manufacturers that domestic wools are inferior for this purpose, Congress should not legislate against the domestic industry.

In the meantime domestic production of improved coarse wool is increasing. Little data has been gathered as yet. However, we know that the production of the wools to which this bill pertains involved 1½ percent of domestic production in 1946, and that since then depressed conditions in the sheep industry have caused growers to crossbreed for more meat production. This has lowered the grade of wool produced. For example, figures have been compiled by the wool marketing associations of Iowa, Minnesota, and South Dakota. These figures show great increase in the production of wools referred to in this bill. In 1946, production of these wools amounted to only thirty-five one-thousandths of 1 percent of their farm fleece wools, or a volume of 6,150,000 pounds. In 1956 the percent had grown to 7.93 or a volume of 9,960,000 pounds.

The Department of Agriculture has been requested to make a study of the amount of wool referred to in this bill which are produced domestically. In the lack of complete data and the indications that domestic production is on the upswing, I urge that this special privilege legislation for the carpet industry be rejected.

Seventh. The carpet industry has filed for escape clause action for increased tariff protection.

The woolgrowers have maintained from the start that the carpet industry should seek tariff protection against foreign carpets rather than attempt to weaken further the wool tariff structure.

Just recently the carpet industry petitioned the United States Tariff Commission for protective tariff relief under the escape clause proceedings of section 7 of the Trade Agreements Extension Act as amended in 1951, and section 332 of the Tariff Act of 1930.

Within the past week, on January 30, the Tariff Commission ordered an investigation to determine whether imports of carpets are hurting the domestic industry.

It would be appropriate for Congress to await the outcome of this effort to obtain protective tariff relief for the carpet industry before seriously considering H. R. 2151 which would harm an important domestic industry in order to help the carpet manufacturers.

Mr. RIVERS. Mr. Chairman, I would not be so vain as to think I could change your minds in 2 minutes. I want to say that this bill gives a marked advantage to one segment of our industry over another. In effect, it makes end runs on the Tariff Act. It takes part and parcel, body and soul, jurisdiction from the Tariff Commission. This case is pending before the Tariff Commission. I know I am going to be there for the carpet industry, but if a boat sailed into Charleston or Philadelphia or New York,

and they say "What are you going to do with this wool?" I am going to make carpets. They get in free. But if one says "I will make felt," he pays. What do you call that? Somebody says you have got a compensatory thing. I do not know what that means. But I know one group is going to have to pay, and the other group is going to get in free.

EXHIBIT 1

MAY 20, 1957.

SOME REASONS WHY THE CARPET INDUSTRY BILL SHOULD NOT BE ENACTED

A bill now pending before Congress, H. R. 2151, would permit the carpet industry to import certain grades of wool free of duty for use in carpets. The bill is sponsored by the Carpet Institute, Inc.

The Papermakers' Felt Industry,¹ which uses substantial quantities of wool of the grades covered by H. R. 2151, feels bound to oppose the bill because it would:

1. Discriminate against other American industries for the benefit of the carpet industry;

2. Give the carpet industry an unwarranted special advantage over other American industries in bidding for scarce wool supplies;

3. Shift part of the carpet industry's raw material costs to other American wool users;

4. Perpetuate and extend an existing discrimination in favor of large industry against smaller industries.

The enactment of the carpet industry bill is:

1. Opposed by the Department of Agriculture;

2. Criticized by the Department of Commerce as working to the "disadvantage" of American manufacturers other than the carpet industry;

3. Denounced by the Tariff Commission as a "conspicuous" discrimination against industries other than carpet manufacturers;

4. Resisted by the National Woolgrowers Association which accounts for 74 percent of the wool grown in the United States.

RAYMOND J. LEE,

Chairman, Tariff Committee, Papermakers' Felt Association, Care of Lockport Felt Co., Newfane, N. Y.

I do not believe in that type of legislation. I have enough trouble to get equality when I understand the law. We do not want anything else. If you did not believe that, why did you not come here with an open rule? You have bound and gagged one industry in favor of another.

This legislation is premature; the carpet industry now has administrative remedy and has a case pending before the Tariff Commission on June 10, 1958.

Let us await this decision. If this law passes, the Reciprocal Trade Act should be repealed.

Under the escape clause of that act, this industry has its remedy.

¹The Papermakers' Felt Industry is composed of 11 companies with plants in 9 States; it employs approximately 5,000 persons. The industry, which has been declared essential for national defense, produces woven woollen felts for papermaking machinery and for other industrial uses. The industry uses large quantities of both domestic and foreign wool; a substantial portion of its foreign wool is in grades covered by H. R. 2151.

EXHIBIT 2

UNITED STATES TARIFF COMMISSION, WASHINGTON—PUBLIC NOTICE, INVESTIGATION INSTITUTED AND HEARING SET, WILTON AND VELVET CARPETS AND RUGS

INVESTIGATION NO. 67 UNDER SECTION 7, TRADE AGREEMENTS EXTENSION ACT OF 1951, AS AMENDED

Investigation instituted: Upon application of the Carpet Institute, Inc., of New York, N. Y., received January 22, 1958, the United States Tariff Commission, on the 29th day of January 1958, under the authority of section 7 of the Trade Agreements Extension Act of 1951, as amended, and section 332 of the Tariff Act of 1930, instituted an investigation to determine whether Wilton and velvet carpets, rugs, and mats, and carpets, rugs and mats of like character or description, classifiable under paragraph 1117 (a) of the Tariff Act of 1930, are, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

Public hearing ordered: A public hearing in this investigation will be held beginning at 10 a. m., e. d. s. t., on June 10, 1958, in the hearing room, Tariff Commission Building, Eighth and E Streets NW., Washington, D. C. Interested parties desiring to appear and to be heard at the hearing should notify the secretary of the Commission, in writing, at least 3 days in advance of the date set for the hearing.

Inspection of application: The application filed in this case is available for public inspection at the office of the secretary, United States Tariff Commission, Eighth and E Streets NW., Washington, D. C., and at the New York office of the Tariff Commission, located in room 437 of the customhouse, where it may be read and copied by persons interested.

By order of the Commission:

DONN N. BENT,

Secretary.

Issued January 30, 1958.

You are going to hang, draw, and quarter my people before they can present their case. I say to you it is not right; it is not right.

This is denounced by many. It is denounced by Sinclair Weeks, it is denounced by the Department of Agriculture, and MENDEL RIVERS denounces it; and I say that under this concept of legislation you are taking property without due process of law. Last year we heard lots of talk about the 14th amendment. We obey the 14th amendment down South. That is what you are doing too. Do not do this to our industry. Do not take a stand in this great Congress as against one industry and pit it against another; it is not right.

All I want you to do is to let me eat out of the same spoon you have. If you do that everything will be all right. Let us have that kind of equal treatment, not special legislation.

Mr. REED. Mr. Chairman, I have no further requests for time.

Mr. MILLS. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Virginia [Mr. HARRISON] to close general debate.

The CHAIRMAN. The gentleman from Virginia is recognized for 15 minutes to close the debate.

Mr. HARRISON of Virginia. Mr. Chairman, my friend from South Carolina almost brought tears to my eyes. He speaks of his plight. I feel sorry for him. It is the saddest thing I know. He says he wants to have the same spoon as the cotton people have, and he wants to eat out of that same spoon, and he would be satisfied with that. Mr. Chairman, if he will turn to page 61 of the hearings before the Committee on Ways and Means he will find that the spokesmen for his industry refused to accept that spoon. He wants the spoon he has and another spoon too.

There are several things I want to talk about in connection with this legislation, but first, Mr. Chairman, I would like to say that of all the phony arguments that are presented on this matter, the most phony is the argument that there is discrimination against the papermaker felt industry. Let me give you some of the history of this thing and tell you what the situation is. The papermaker felt industry has a special tariff protection of 37½ cents a pound as special compensatory duty for the fact that they have to buy raw wool that is subject to a duty. They get that much protection on every pound of papermaker felt that is imported into the United States. That is not available to the carpet people. When their spokesman was here I asked him if he would surrender that and go under the same terms as the carpet industry. He said he would not. Now he wants that protection and then he wants also to have the advantage over the carpet people in the purchase of wool in the markets of the world.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I will after a bit. Let me go into this a little. The papermaker-felt people say that this supply of wool is short in the world; the wool people say that it is in oversupply in the world and that there is plenty of it. The papermaker-felt people say that if we pass this legislation it will raise the price of wool, and the wool people say that if we pass this legislation it will lower the price of wool. One thing we can be certain of, whatever we do about this foreign wool it is going to come into this country. Whatever we do with this legislation, whether wool is in large supply or short supply, whether the legislation raises the price of wool or lowers it, wool is going to come into this country. The proponents of this legislation want wool to come in here as a raw material where it can be fabricated by our manufacturers and by American labor into carpets and sold to the American people. The opponents want to keep it out and have it come in in the form of carpets for the benefit of the Japanese, Belgian, and the British manufacturers of carpets. That is the issue. It does not make any differ-

ence what we do, the wool is coming in and will continue to do so. It is a question of whether it is to be fabricated by American labor and made into carpet to the benefit of American industry or not.

Nobody disputes the need for this legislation. Every speaker, the gentleman from Texas, my good friend from Wisconsin [Mr. BYRNES], the Department of Agriculture, speaks for the distress of the carpet industry on account of the importation of these foreign-made carpets. There cannot be any doubt about the fact that for the last 7 years the importation of foreign carpets has gone up at the rate of 7 million pounds per year. There cannot be any doubt about the fact the report of the Department of Labor on this legislation in advocating it sets forth the fact that in this industry there has been a loss of employment of 40 percent. There cannot be any doubt about the fact that this industry cannot get the raw material it needs to stay in business.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Would the gentleman answer me whether or not this bill will give the carpet industry any advantage up to 17 cents, below or otherwise, over the felt industry that purchases the same wool?

Mr. HARRISON of Virginia. It leaves them at a disadvantage.

Mr. ABERNETHY. Then why would you want to pass a bill of this kind?

Mr. HARRISON of Virginia. Because it enables the carpet industry to buy wool. There is no competition between these two industries.

Mr. ABERNETHY. Do I understand the gentleman to say there is no competition in the foreign market between the two industries in the purchase of this wool?

Mr. HARRISON of Virginia. Yes; that is true.

Mr. ABERNETHY. The felt people say differently.

Mr. HARRISON of Virginia. They are wrong about that and I think that I can testify as well as they can. The finding of this committee is that they are wrong.

Mr. ABERNETHY. Why is it they object to it then?

Mr. HARRISON of Virginia. I do not know. The gentleman will have to ask them.

Mr. ABERNETHY. They tell us it is because it puts them to a disadvantage.

Mr. HARRISON of Virginia. I just answered that to the best of my ability. If I have not been able to enlighten the gentleman it is either his fault or mine.

Mr. ABERNETHY. I have the industry's word against the gentleman's.

Mr. HARRISON of Virginia. The gentleman has the committee's word, too.

Mr. ABERNETHY. I have part of the committee's word, not all of the committee. Some of the committee disagrees with the gentleman.

Mr. HARRISON of Virginia. I have answered the gentleman to the best of my ability. If I have not been able to satisfy the gentleman I am very sorry.

Now, I will try to answer the gentleman further. Carpet wool has for 60 or 70 years been on the free list. It has been on the absolute free list since 1913. Why is it that it was put on the free list and not subject to duty? Because it is one user of wool that cannot get its raw product in this country. The domestic wool industry cannot supply the carpet industry with its raw material. They cannot get it. There is not any way they can get it. Therefore the carpet industry has been given this favored treatment in order to keep it alive. There is not any question about competitors getting on the free list. There is a definition of what is carpet wool. The Tariff Act of 1930 provides for certain named wools and unimproved wools up to the grade of 40's. That was completely satisfactory. Under that definition the manufacturers of carpet could get all the wool they needed. This is the situation the gentleman from Texas was talking about in connection with the gentleman from New York and that situation existed until under the Trading With the Enemy Act the supply of carpet wool from Communist China was cut off; 34 million pounds were cut off. Nobody can deny it. And, when that came about, as it did in the last 7 years, then the squeeze was put on. Then they could not get the raw material they needed, but their competitors were able to buy it duty-free and ship it in here, as manufactured carpets, without adequate protection of the tariff.

Mr. FISHER. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Texas.

Mr. FISHER. The gentleman referred to the 34 million pounds admitted from Red China.

Mr. HARRISON of Virginia. That was in 1 year.

Mr. FISHER. That is correct. But, the Department of Commerce informs me that the average import back during the time we were trading with China ran 8 million pounds a year from 1954 through 1949, so I think we should refer to the average and not to one unusual year.

Mr. HARRISON of Virginia. Will the gentleman deny that the shortage came about when Tibet and China ceased to be free nations for export?

So far as any injury to the wool producer is concerned, I do not think anyone in this House would say that the gentleman from Colorado [Mr. HILL], who has announced his advocacy of this measure, would, in any likelihood, betray their interest.

Now, let me tell you another thing how the producers are protected. This wool can be used only for the manufacture of carpet. It comes in under bond. There is no change in the law here. There is not any basis for a contention of new special privilege. It is not true. The policy established of putting carpet wool on the free list is some 70 years old, and this is a continuation of the policy,

so that this industry can get the raw material it needs, which can be supplied in this country.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman from Illinois.

Mr. MASON. Up until now we have had wool come in 40 and below in grade free.

Mr. HARRISON of Virginia. That is right.

Mr. MASON. Now you are asking to extend it up to 46, possibly 48.

Mr. HARRISON of Virginia. That is to broaden the definition, not to change the principle.

Mr. MASON. When you extend it to 46 you are competing with wool grown in this country, because they grow much wool of that grade.

Mr. HARRISON of Virginia. I take issue with the gentleman. The Tariff Commission report shows that but 1 percent of it goes in that category. The evidence before the Committee shows that the carpet-wool people have never been able to get supplies in this country, and on the one occasion that they bought some too small, trifling amount, they were unable to use it. It was utterly unsatisfactory for their purpose.

Now, this wool cannot be used for anything but carpet because it comes in under bond and it cannot be used for anything else. It cannot be taken out of bond for anything else except carpets. Now, the papermaker felt people complain because the carpet people are given duty-free treatment. However, the papermaker felt people are in a field where the American producer can supply them, or at least half of the supplies of the papermaker-felt industry comes from the domestic market. Therefore, in order to compensate them, they are given not only an ad valorem tariff of 15 percent, but are given a special compensatory tariff of 37½ cents a pound, which is twice the amount of money that they need to compensate them for any foreign competition. So there could not be any question that the contention of favoritism is without foundation.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Virginia. I yield to the gentleman.

Mr. BYRNES of Wisconsin. This compensatory duty has to do with the importation of papermaker felt imported into this country; is that correct?

Mr. HARRISON of Virginia. That is right.

Mr. BYRNES of Wisconsin. That is the protection they have against the foreign product. It has nothing to do with the fibers that they have to import into this country to make their own felt, does it?

Mr. HARRISON of Virginia. But the gentleman's point has been that in competing for these wools in the world market, if they are in competition, which we deny—but let us assume that they are in competition, and let us assume the gentleman's point is valid, that they will have to pay a higher price in the world market; their foreign competition has to pay not only that price but twice as much

in the form of duty before they can sell their papermaker felt in the United States.

The CHAIRMAN. The time of the gentleman from Virginia has expired. All time has expired.

Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means.

The Clerk will report the committee amendments.

The Clerk read as follows:

Page 1, line 10, strike out "thereon" and insert "thereof."

Page 2. Strike out section 2 and insert:

"SEC. 2. The amendments made by this act shall be effective only with respect to wool entered, or withdrawn from warehouse, for consumption, during the 3-year period beginning on the 60th day after the date of the enactment of this act."

The committee amendments were agreed to.

The CHAIRMAN. Are there any further committee amendments?

Mr. MILLS. Mr. Chairman, there are no further committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 2151) to amend certain provisions of the Tariff Act of 1930 relative to import duties on certain coarse wool, pursuant to House Resolution 460, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BYRNES of Wisconsin. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 250, nays 129, not voting 50, as follows:

[Roll No. 8]		YEAS—250	
Abbitt	Friedel	Nimtz	Fisher
Addonizio	Fulton	Norrell	George
Albert	Gary	O'Brien, Ill.	Gross
Alexander	Gathings	O'Hara, Ill.	Harden
Allen, Calif.	Gavin	O'Neill	Harrison, Nebr.
Allen, Ill.	Granahan	Osmers	Hemphill
Andrews	Grant	Ostertag	Henderson
Anfuso	Gray	Passman	Heslton
Arends	Griffin	Patman	Hiestand
Ashley	Griffiths	Patterson	Hoeven
Ashmore	Gubser	Pelly	Hoffman
Auchincloss	Gwinn	Perkins	Holmes
Baker	Hale	Philbin	Holt
Barden	Haley	Pilcher	Horan
Barrett	Halleck	Pillion	Ikard
Bates	Hardy	Poage	Jensen
Beckworth	Harrison, Va.	Poff	Johansen
Belcher	Harvey	Porter	Johnson
Bennett, Fla.	Haskell	Powell	Kilday
Bentley	Healey	Preston	Kilgore
Boland	Herlong	Price	Knox
Bolton	Hess	Rabaut	Knutson
Bosch	Hill	Ray	Krueger
Boyle	Hillings	Reed	Laird
Bray	Hollfield	Reuss	LeCompte
Breeding	Holland	Rhodes, Pa.	Lipscomb
Brooks, La.	Holtzman	Riehlman	McCarthy
Broomfield	Hosmer	Robeson, Va.	McCulloch
Brown, Ga.	Huddleston	Robison, N. Y.	McDonough
Brown, Mo.	Hull	Robison, Ky.	McGovern
Brownson	Hyde	Rodino	
Broyhill	Jackson	Rogers, Colo.	
Buckley	Jarman	Rogers, Fla.	
Bush	Jenkins	Rogers, Mass.	
Byrd	Jennings	Rogers, Tex.	
Byrne, Pa.	Jonas	Rooney	
Canfield	Jones, Ala.	Roosevelt	
Cannon	Jones, Mo.	Sadlak	
Carnahan	Karsten	Santangelo	
Carrigg	Kean	St. George	
Celler	Kearney	Scherer	
Chamberlain	Kearns	Scott, N. C.	
Chipherfield	Keating	Scott, Pa.	
Christopher	Kelly, N. Y.	Seely-Brown	
Church	Keogh	Sheehan	
Clark	Kilburn	Shelley	
Collier	King	Shuford	
Cooley	Kitchin	Slominski	
Corbett	Kluczynski	Sikes	
Coudert	Lafore	Simpson, Pa.	
Cramer	Landrum	Smith, Miss.	
Cretella	Lane	Smith, Va.	
Cunningham,	Lankford	Spence	
Nebr.	Latham	Springer	
Curtin	Lennon	Staufner	
Curtis, Mass.	Libonati	Steed	
Dague	Long	Sullivan	
Davis, Ga.	Loser	Taber	
Delaney	McCormack	Teller	
Dellay	McFall	Tewes	
Denton	McIntosh	Thomas	
Derounian	McMillan	Thompson, N. J.	
Diggs	Macdonald	Thompson, Tex.	
Dingell	Machrowicz	Tollefson	
Dollinger	Mack, Ill.	Trimble	
Donohue	Madden	Tuck	
Dorn, N. Y.	Magnuson	Utt	
Dorn, S. C.	Martin	Vanik	
Durham	Matthews	Van Pelt	
Dwyer	May	Vorys	
Edmondson	Marrow	Vursell	
Evins	Michel	Wainwright	
Fallon	Miller, Md.	Walter	
Farbstein	Mills	Whitener	
Fascell	Minshall	Whitten	
Fino	Mitchell	Williams, Miss.	
Flood	Morano	Wilson, Calif.	
Flynt	Morris	Wilson, Ind.	
Fogarty	Morrison	Wright	
Forand	Multer	Yates	
Ford	Mumma	Younger	
Fountain	Murray	Zablocki	
Frazier	Neal	Zelenko	
Frelinghuysen	Nicholson		

[Roll No. 8]		YEAS—250	
McIntire	Saylor		
McVey	Schenck		
Mack, Wash.	Schwengel		
Mahon	Scrivner		
Mailliard	Scudder		
Marshall	Selden		
Mason	Siler		
Meader	Simpson, Ill.		
Metcalf	Sisk		
Miller, Calif.	Smith, Calif.		
Miller, Nebr.	Smith, Kans.		
Miller, N. Y.	Staggers		
Montoya	Talle		
Moore	Teague, Calif.		
Morgan	Thompson, La.		
Moss	Thomson, Wyo.		
Moulder	Thornberry		
Natcher	Udall		
Norblad	Ullman		
O'Brien, N. Y.	Van Zandt		
O'Hara, Minn.	Watts		
O'Konski	Weaver		
Pfost	Wier		
Prouty	Wigglesworth		
Rees, Kans.	Williams, N. Y.		
Rhodes, Ariz.	Willis		
Riley	Winstead		
Rivers	Withrow		
Rutherford	Wolverton		
Saund	Young		

NOT VOTING—50

Baring	Eberharter	Kee
Bass, Tenn.	Engle	Kirwan
Becker	Feighan	Lesinski
Blatnik	Forrester	McGregor
Boggs	Garmatz	Polk
Bolling	Glenn	Radwan
Bonner	Gordon	Rains
Bow	Green, Oreg.	Reece, Tenn.
Burdick	Green, Pa.	Roberts
Byrne, Ill.	Gregory	Sheppard
Clevenger	Hagen	Taylor
Davis, Tenn.	Harris	Teague, Tex.
Dawson, Ill.	Hays, Ark.	Vinson
Devereux	Hays, Ohio	Westland
Dies	Hébert	Wharton
Dooley	James	Widnall
Doyle	Judd	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Taylor.

Mr. Dawson of Illinois with Mr. James.

Mr. Dies with Mr. Dooley.

Mr. Blatnik with Mr. Devereux.

Mr. Hogen with Mr. Judd.

Mr. Forrester with Mr. Glenn.

Mr. Garmatz with Mr. Wesland.

Mrs. Green of Oregon with Mr. Widnall.

Mr. Rains with Mr. Radwan.

Mr. Robert with Mr. McGregor.

Mrs. Kee with Mr. Clevenger.

Mr. Baring with Mr. Becker.

Mr. Boggs with Mr. Wharton.

Mr. Eberharter with Mr. Reece of Tennessee.

Mr. Engle with Mr. Bow.

Mr. Hays of Arkansas with Mr. Byrne of Illinois.

Mr. Hays of Ohio with Mr. Burdick.

Messrs. HARRISON of Nebraska, VAN ZANDT, MEADER, and STAGGERS changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The title was amended to read as follows: "A bill to suspend for 3 years the import duties on certain coarse wool."

A motion to reconsider was laid on the table.

RECIPROCAL TRADE AGREEMENTS ACT

(Mr. NEAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL. Mr. Speaker, while it is generally admitted the American economy does now and must in the foreseeable future depend upon export trade, it is equally obvious that unrestricted imports can throw our domestic economy out of balance. A successful domestic economy cannot exist when emphasis is placed on production of exportable commodities under trade policies that permit foreign products to usurp markets for domestically produced consumer goods.

Uniform production can exist only during high level employment of all branches of industry employing both skilled and unskilled labor forces. This cannot happen when excess consumer commodities are allowed to flood our markets to the extent that our own industries no longer find buyers for their products.

Administration of the Reciprocal Trade Agreements Act, instead of meeting the ideals for which it was enacted, has consistently disregarded the welfare of a large number of small industrial producers of domestic commodities in an effort to encourage production and export of products in great demand by foreign nations. Much of this export trade has enjoyed Federal subsidy. Only a portion of its cost has been met by credits resulting from the sale of foreign made consumer products permitted to enter our local markets. Yet, imports of these goods have been allowed to enter our markets to cause the failure of a large number of our local industries and the unemployment of those people upon whom these industries depend.

Fairly administered, the Trade Agreements Act can be beneficial to our world trade without undue injury to our American economy. This may require quotas. This is especially the case in imports of foreign oil, both crude and residual. The latter continues to displace American coal, causing unemployment of thousands of employable people.

Most consumer imports are produced by foreign labor whose pay is in nowise commensurate with American standards. Such commodities need not necessarily be excluded from our markets, but at least their import duties should be determined on the basis of the differential between costs of production.

Section 336 of the Tariff Act of 1930, no longer effective, set out methods by which such adjustments of import duties could be determined. Renewal of the Reciprocal Trade Agreements Act, without some provision for this principle, will eventually result in the closure of many of our small industrial establishments, causing unnecessary unemployment and a dangerously unbalanced economy.

AIRCRAFT COLLISIONS

(Mr. HILLINGS asked and was given permission to address the House for 1 minute.)

Mr. HILLINGS. Mr. Speaker, I know that all of us in the House have been shocked by the tragedies resulting from the crowding of air space over metropolitan centers of the United States, particularly in the Los Angeles area.

In recent days there have been three midair collisions over the Los Angeles area, resulting in a terrible toll of life and property.

I realize that Congress during the last session gave the authority for the establishment of an Airways Modernization Board, which now has just started to function.

But can the Board act swiftly enough to meet a situation that is growing ever more dangerous with each passing day?

With no intent to reflect on this new board, I plan to introduce a resolution calling for the creation of an emergency joint congressional committee to give swift consideration to changes in the Civil Aeronautics Act for absolute control of our shrinking airspace by the appropriate government agency.

The emergency joint congressional committee would function only until it had completed its findings and made its recommendations for safer air-traffic patterns for commercial, military, and civil aviation.

The time for action in absolutely controlling the airspace over the continental United States is now, lest we witness more of these appalling tragedies.

Since last Saturday, there were three midair collisions over the Los Angeles metropolitan area with a loss of 55 lives and destruction of property in densely populated sections. The wonder is that more lives were not lost.

These three terrible crashes followed by a year the collision of a commercial transport and a military jet over the San Fernando Valley, with the wreckage spewing over Pacoima schoolyard, killing and maiming children at play. This tragedy cost the lives of eight persons.

The emergency joint congressional committee could work closely with the Airways Modernization Board and perhaps make specific recommendations for better control of congested traffic patterns.

I think this problem of airspace, which will be further restricted when jet transports are placed in commercial service, demands the full and immediate attention of Congress through the creation of an emergency joint committee of our top aviation experts in the House and Senate.

DEMOCRATIC ADVISORY COMMITTEE

(Mr. FRELINGHUYSEN, at the request of Mr. Bass of New Hampshire, was given permission to extend his remarks at this point in the RECORD.)

Mr. FRELINGHUYSEN. Mr. Speaker, the so-called Democratic advisory committee issued another one of its policy statements a few days ago. In its latest search for headlines, this group has been guilty of the most irresponsible kind of political extremism.

The Democrats have accused the Eisenhower administration of contributing to the current recession by a deliberate, premeditated, and stubbornly pursued policy. They charge that Republicans have no program for checking and reversing the downward trend of economic activity. They say Presi-

dent Eisenhower now advocates the same defeatist doctrine expressed by President Hoover nearly 30 years ago.

The Democrats have sought to raise old ghosts regarding the depression of the 1930's. By implication at least they suggest we again face a major depression, with Government unwilling or unable to respond.

It needs no expert to tell us that 1958 is not 1929. Economic conditions are far different today than they were then. We now have many built-in economic safety valves, such as unemployment insurance and old-age pensions, and a Government ready to step in should that be necessary. Even blind partisans must realize, though they refuse to admit it, that the Eisenhower administration is pledged to take strong action to prevent mass unemployment.

The Democrats will not help economic conditions by this blatant attempt to scare up votes. On the contrary, this type of demagogic scare talk can only do harm.

Only last week we heard many Democrats talking about the importance of avoiding excessive partisanship. This latest evidence of extremism is not likely to foster political restraint. Judging by their latest effort, it looks as if the Democratic advisory committee badly needs some sound advice.

MR. STEVENSON IS OUT OF STEP AGAIN

(Mr. SCOTT of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCOTT of Pennsylvania. Mr. Speaker, Mr. Adlai Stevenson is quoted in the Washington Star of February 3 as making light of the American satellite by referring to it as "long, thin, and not much to it."

At a time when Americans generally are rejoicing in a scientific achievement of the first magnitude, it is regrettable that Mr. Stevenson, under cover of wit, chooses to disparage an accomplishment to which Americans thrilled with pride.

Mr. Stevenson is out of step again.

CORRECTION OF THE RECORD

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to correct my extension in the CONGRESSIONAL RECORD of January 30, 1958, to change the spelling of the word Hodey as it appears on page 1187, line 31, of the third column and on page 1188, three lines from the bottom of the second column, to read Hodes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WIDNALL (at the request of Mr. OSMERS), for the balance of this week, on account of illness.

85TH CONGRESS
2D SESSION

H. R. 2151

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 1958

Read twice and referred to the Committee on Finance

AN ACT

To suspend for three years the import duties on certain coarse wool.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of paragraph 1101 (b) of the Tariff
4 Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101
5 (b)) is amended—

6 (1) by inserting after the word “foregoing” the
7 following: “and all other wools of whatever blood or
8 origin not finer than 46s”; and

9 (2) by inserting before the period at the end
10 thereof a colon and the following: “*Provided,*
11 That a tolerance of not more than 10 per centum of

1 wools not finer than 48s may be allowed in each bale
2 or package of wools imported as not finer than 46s”.

3 SEC. 2. The amendments made by this Act shall be
4 effective only with respect to wool entered, or withdrawn
5 from warehouse, for consumption, during the three-year
6 period beginning on the sixtieth day after the date of the
7 enactment of this Act.

Passed the House of Representatives February 4, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
2D Session

H. R. 2151

AN ACT

To suspend for three years the import duties on certain coarse wool.

FEBRUARY 5, 1958

Read twice and referred to the Committee on Finance

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued April 29, 1958
For actions of April 28, 1958
85th-2d, No. 66

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HIGHLIGHTS: Senate committee reported Interior appropriation bill. Senate committee reported area redevelopment bill. Sen. Proxmire favored combining farm freeze measure with wool bill. House committee reported classified employee pay bill.

SENATE

1. APPROPRIATIONS. The Appropriations Committee reported with amendments H. R. 10746, the Interior Department appropriation bill for fiscal year 1959, which includes Forest Service items (S. Rept. 1479) (p. 6694).
At the end of this Digest is a table showing the Forest Service items and excerpts from the committee report.
2. WOOL. Sen. Proxmire submitted amendments to S. 2861 (to extend the Wool Act for four years additional) which would add the provisions of the farm price support and acreage allotment freeze measure to the bill. pp. 6696-7
The Finance Committee reported with amendments H. R. 2151, to suspend the import duties on certain coarse wool for three years (S. Rept. 1490). p. 6694
3. AREA REDEVELOPMENT. The Banking and Currency Committee reported without amendment S. 3683, an area redevelopment bill (S. Rept. 1494). Sen. Douglas inserted his statement describing the bill. pp. 6783-4

4. GUAR SEED. The Finance Committee reported without amendment H. R. 10112, to make permanent the existing privilege of free importation of guar seed (S. Rept. 1486). p. 6694
5. FORESTRY RESEARCH. The names of Sens. Allott, Mansfield, Murray, and Proxmire were added as cosponsors to S. 3709 to authorize an increased program of research on forestry and forest products. p. 6697
6. COUNTRY LIFE COMMISSION. Sen. Wiley inserted a letter from the Wisc. Council of Farmer Cooperatives urging him to support the bills to provide for a Country Life Commission in order to focus attention on the problems of American agriculture. p. 6707
7. TOBACCO. Sen. Neuberger criticized "misleading" cigarette advertising and inserted an article on research regarding effects of tobacco use, etc. pp. 6705-6
8. FOREIGN AID. Sen. Mansfield introduced and discussed amendments to S. 3318, the mutual security authorization bill for 1958, to prevent U. S. personnel from accepting pay or other compensation from national or international organizations in addition to U. S. pay. pp. 6703-5
Sen. Humphrey inserted four editorials commending Sen. Monroney's proposal to establish an International Development Ass'n. pp. 6719-20
9. SECURITY. The Judiciary Committee submitted its "Internal Security Annual Report for 1957." (S. Rept. 1477). p. 6694
10. WATERSHED PROJECT. Sen. Thye inserted letters and resolutions urging Government assistance in conservation and flood control work on the Thief River watershed, Minn. pp. 6693-4
11. LEGISLATIVE PROGRAM. Sen. Johnson announced that later in the week the Senate would act on the Interior Department appropriation bill. He also indicated the calendar would be called on May 1 or 2. pp. 6692-3

HOUSE

12. VIRGIN ISLANDS. A subcommittee of the Interior and Insular Affairs Committee ordered reported H. R. 5643, to extend the charter of the Virgin Islands Corporation to June 30, 1960. The "Daily Digest" states that a clean bill is to be reported. p. D358
13. PAY RAISE. The Post Office and Civil Service Committee reported with amendment S. 734, to provide pay increases for classified employees (H. Rept. 1660). p. 6690
14. TEXTILES. Rep. Coffin urged that a study and investigation be made of the textile industry of the U. S. in order to determine the type of aid that should be given the industry. pp. 6668-69
15. FLOOD CONTROL. Reps. McFall and Baldwin urged an increase in appropriations for flood control projects, and Rep. McFall inserted the report of a Public Works subcommittee of an inspection of flood damage in northern and central Calif. recently. pp. 6677-79
16. TRANSPORTATION. Rep. Curtis, Mo., spoke on the importance of transportation in the national economy, and urged that the "National Museum of Transportation

TEMPORARY SUSPENSION OF IMPORT DUTIES ON
CERTAIN COARSE WOOL

APRIL 28, 1958.—Ordered to be printed

Mr. BYRD, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 2151]

The Committee on Finance, to whom was referred the bill (H. R. 2151) to suspend for 3 years the import duties on certain coarse wool, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

AMENDMENTS

The House bill would have established the period of 3 years as the effective time of the duty suspension. The Finance Committee amended the bill to limit the effective period to June 30, 1960, beginning, as did the House bill, on the 60th day after the date of enactment. The title was amended to read as follows:

A bill to suspend until June 30, 1960, the import duties on coarse wool.

PRESENT LAW AND PROPOSED CHANGES

Paragraph 1101 (b) of the Tariff Act of 1930, as amended, presently provides for free entry under bond of imports of certain wools and animal hair for use in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy-fulled lumbermen's sox, rugs, carpets, or any other floor coverings. The imported wools for which such free entry is now provided are those which, if imported for use in other products than those specified, are dutiable under paragraph 1101 (a) of the Tariff Act of 1930. These wools consist of so-called unimproved wools and other (improved) wool not finer than 40s and camel's hair. The so-called unimproved wools are those from sheep which are native to certain regions and which have not been improved through

crossbreedings with Merino or English sheep. Other wool not finer than 40s are the coarser grades obtained from crossbred sheep.

The amendment of paragraph 1101 (b) that would be made by H. R. 2151, as reported, would, for a period of approximately 2 years, add to the wools now permitted duty-free importation under bond for the specified uses, wools finer than 40s but not finer than 46s. The amendment would include a proviso that a tolerance of not more than 10 percent of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s. This proviso is in accord with the present "tolerance provisions" where fineness of imported wools is relevant to their classification for customs purposes.

Another amendment adopted by the Committee on Finance extends until January 1, 1959, the date for the submission of the United States Tariff Commission report on its comprehensive study of tariff classification laws pursuant to section 101 of the Customs Simplifications Act of 1954, as amended.

In requesting this time extension the Chairman of the United States Tariff Commission stated:

The Commission has completed the major portion of the study, but the pressure of other work has been such that more time will be needed to complete it if it is to receive the attention such a project deserves. As matters now stand, there is every reason to believe that the completed study can be submitted to the Congress and to the President well ahead of the convening of the next Congress in January 1959.

In the proposed revision, the existing tariff classification laws will be consolidated into 8 schedules comprising approximately 450 pages of statutory text. The Commission has released and completed hearings on 4 of these schedules involving a total of approximately 240 pages. The comments of interested parties (importers, domestic producers, customs lawyers, etc.) on these schedules have been almost without exception favorable and complimentary. The Commission has just released an additional 85 pages, comprising schedule 3 relating to textile products and a part of schedule 7 relating to miscellaneous products, on which hearings will be held June 3, 1958. Much of the work on the remaining 3 schedules, which will probably involve from 125 to 150 pages, has been done, and it is expected that these schedules will be completed and public hearings ordered thereon within the next 2 or 3 months.

The title was amended to read as follows:

An Act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules.

GENERAL STATEMENT

The purpose of H. R. 2151 is to suspend temporarily the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets and certain other products. It is intended to assist domestic producers to obtain these coarse wools at competitive world prices.

Prior to World War II the world supply of carpet wools, through the importation of name wools and coarse grades up to 40s, was sufficient to meet the needs of the domestic carpet industry. However, a number of developments since World War II resulted in restricting the availability of the necessary wool to our domestic carpet industry, so that for the past several years and at the present time our domestic industry has been and is faced not only with inability to obtain the necessary supplies but also with mounting imports of carpets of foreign manufacture. Developments arising out of and following World War II disrupted United States trade with former sources of supply, particularly Communist China and Tibet. Section 5 (b) of the Trading With the Enemy Act, as amended, contains the basic authority under which imports from Communist China and the U. S. S. R. are banned. Also, some of the countries that have been important producers of unimproved wools have taken measures to restrict their wool exports with a view to conserving the supplies for their own domestic industries. Practically all countries which have wool industries have made attempts to improve their breeds of sheep with the result that there has been an overall trend toward the finer wools, which are not coarse or resilient enough for carpet and rug manufacture and which trend further continues to reduce the available supply of carpet grade wools. The volume of unimproved wools entering international trade has been much smaller than consumption. The worldwide shortage of carpet grade wools has forced manufacturers in other countries to utilize wools finer than 40s, notably in the 40s-46s range. Information indicates these grades of wool are not as satisfactory as the coarser grade but they are being used by foreign manufacturers, particularly in Belgium, England, Japan, France, and certain other countries, and thus provide a decided advantage to those carpet industries over the United States carpet industry in the American market. In fact it has been accompanied by increased imports of foreign-made carpets into the United States.

Evidence has been presented that the domestic carpet industry is faced with a squeeze, which has placed it in a very adverse position competitively since, on the one hand, it cannot obtain economically the raw wool supplies which it needs in order to compete and on the other hand, it faces increasing competition in its finished wool carpets from countries in which the carpet manufacturers can obtain less expensive raw wool and thereby produce such carpets at a lower cost. In the absence of removal of the duty on carpet-grade wools as provided for in the bill, foreign carpet manufacturers will continue to enjoy a competitive advantage over domestic carpet producers with the result that United States consumption of wool carpets will become substantially carpets of foreign manufacture.

The Finance Committee has requested the Tariff Commission to make a study of the grades and qualities of wool imported into the United States for use in the manufacture of carpets and of papermakers felts and of domestic wools which are similar in grade and character. This report is to be completed on or before September 30, 1959. While it gives ample time for such a study to be made, it will become available prior to the opening of Congress in 1960, thus providing up-to-date and complete information for the Congress prior to the expiration of the effective date of the bill (June 30, 1960).

Former objections to the bill by domestic producers of wool and similar objections by the domestic producers of papermakers felts have been withdrawn, and the proponents of the bill have agreed to the reduced period of 2 years. The Finance Committee is therefore happy to report that a compromise has been reached which seems to have effectively removed all opposition to the bill as amended, and urges that the bill as reported do pass.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of Rule xxix of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

PARAGRAPH 1101 (b) OF THE TARIFF ACT OF 1930, AS AMENDED

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

* * * * *

SCHEDULE 11.—WOOL AND MANUFACTURES OF

Par. 1101. (a) * * *

(b) Any of the foregoing *and all other wools of whatever blood or origin not finer than 46s* may be entered or withdrawn from warehouse without the payment of duty by a manufacturer, processor, or dealer upon the filing of a bond to insure that any wool or hair entered or withdrawn thereunder shall be used only in the manufacture of press cloth, camel's hair belting, knit or felt boots, heavy fulled lumbermen's socks, rugs, carpets, or any other floor coverings: *Provided, That a tolerance of not more than 10 per centum of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s.* A manufacturer, processor, or dealer may be relieved of liability under his bond with respect to any wool or hair so entered or withdrawn which is transferred in its imported or any other form to another manufacturer, processor, or dealer who has filed a bond to insure that the merchandise so transferred shall be used only in the manufacture of the above-enumerated articles. If any wool or hair so entered, withdrawn, or transferred under bond is used or transferred for use in its imported or any other form in any manner otherwise than in the manufacture of the articles enumerated above, there shall be levied, collected, and paid on the merchandise so used or transferred in violation of the bond the regular duties which would apply to such merchandise if imported in its condition at the time of such use or transfer. Such duties shall be paid by the manufacturer,

processor, or dealer whose bond is charged with the wool or hair at the time of such use or transfer; but such duties shall not be levied or collected on any merchandise (except white soft wastes, white threads and noils, which shall be dutiable at seven-eighths of such regular duties when used or transferred for use otherwise than in the manufacture of the enumerated articles) resulting in the usual course of manufacture of such enumerated manufactured articles which cannot be used (with or without further preparation) in the usual course of the manufacture of such enumerated articles, or which is exported or destroyed. When any wool or hair which has been entered or withdrawn under bond as provided for in this subparagraph is used or transferred for use, in its imported or any other form, otherwise than in the manufacture of the above-enumerated articles and prior to such use or transfer there shall have been combined or mixed with such wool or hair any other merchandise, the whole or the combination or mixture shall be presumed to be composed of wool or hair entered or withdrawn under bond, as provided for in this subparagraph, unless the manufacturer, processor, or dealer liable for the payment of the duties shall establish the quantity of bonded wool or hair in such combination or mixture. Every manufacturer, processor, or dealer who has given a bond pursuant to the provisions of this subparagraph shall report any use or transfer of merchandise in violation of the terms of his bond, within thirty days after such use or transfer, to the collector of customs in whose district the bond is filed; and for failure to so report, such manufacturer, processor, or dealer shall be liable to a penalty equal to the value of the merchandise so used or transferred at the time and place of such use or transfer. Such penalty shall be in addition to the duties above provided for. The Secretary of the Treasury is authorized to prescribe such regulations and the form, conditions, and amounts of such bonds as may be necessary to carry into effect the provisions of this subparagraph.

SECTION 101 (c) OF THE CUSTOMS¹ SIMPLIFICATION ACT OF 1954

* * * * *

(c) Not later than [March 1, 1958] *January 1, 1959* the Commission shall transmit copies of the schedules and accompanying data and statements to the President and to the chairman of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.



Calendar No. 1517

85TH CONGRESS
2^D SESSION

H. R. 2151

[Report No. 1490]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 1958

Read twice and referred to the Committee on Finance

APRIL 28, 1958

Reported by Mr. BYRD, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To suspend for three years the import duties on certain coarse wool.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the first sentence of paragraph 1101 (b) of the Tariff
4 Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101
5 (b)), is amended—

6 (1) by inserting after the word “foregoing” the
7 following: “and all other wools of whatever blood or
8 origin not finer than 46s”; and

9 (2) by inserting before the period at the end
10 thereof a colon and the following: “*Provided,*
11 That a tolerance of not more than 10 per centum of

1 wools not finer than 48s may be allowed in each bale
2 or package of wools imported as not finer than 46s”.

3 SEC. 2. The amendments made by this Act shall be
4 effective only with respect to wool entered, or withdrawn
5 from warehouse, for consumption, during the ~~three-year~~
6 period beginning on the sixtieth day after the date of the
7 enactment of this Act *and ending at the close of June 30,*
8 1960.

9 SEC. 3. Section 101 (c) of the Customs Simplification
10 Act of 1954 (Public Law 768, Eighty-third Congress) is
11 amended by striking out “March 1, 1958” and inserting in
12 lieu thereof “January 1, 1959”.

Amend the title so as to read: “An Act to provide for
the temporary suspension of the import duties on certain
coarse wool, and to provide additional time for the Tariff
Commission to review the customs tariff schedules.”

Passed the House of Representatives February 4, 1958.

Attest:

RALPH R. ROBERTS,

Clerk.

85TH CONGRESS
2D SESSION

H. R. 2151

[Report No. 1490]

AN ACT

To suspend for three years the import duties on
certain coarse wool.

FEBRUARY 5, 1958

Read twice and referred to the Committee on Finance

APRIL 28, 1958

Reported with amendments

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 2, 1958
For actions of May 1, 1958
85th-2d, No. 69

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HIGHLIGHTS: Rep. Brown, Mo., introduced and discussed self-help dairy stabilization bill. Rep. Reuss introduced and discussed bill to provide direct payments to dairy farmers. Rep. Hill inserted Secretary's testimony on dairy stabilization bills.

HOUSE

1. FOREIGN TRADE. Rep. Bailey inserted an article by Professor David Clark discussing extension of the Reciprocal Trade Agreements Act, "The Coming Controversy in Congress Over the Extension of the Trade Agreements Act and the Approval of the United States Membership in the Organization for Trade Cooperation - With a Background Review." pp. 7117-20
Rep. Byrd urged that U. S. foreign aid and trade programs be "approached in a more realistic manner." pp. 7121-22
2. UNEMPLOYMENT COMPENSATION. Passed with amendments H. R. 12065, to extend unemployment compensation to individuals who have exhausted their benefits. pp. 7069-7111
3. TEXTILE IMPORTS. Rep. Rogers, Mass., urged greater restrictions on the importation of cotton velveteens from Japan. p. 7120
4. SMALL BUSINESS. Rep. Patman inserted correspondence between himself and Gov. Almond of Va., discussing the merits of establishing a system of small business capital banks, and the statement of Gov. Roberts of R. I. favoring such banks. pp. 7123-24

5. COPYRIGHTS. The Judiciary Committee reported with amendment H. R. 8419, to provide a legal remedy for owners of copyrights against infringements by the U. S. Government (H. Rept. 1682). p. 7125
6. LEGISLATIVE PROGRAM. Rep. McCormack announced that the Consent Calendar will be called Mon., May 5, the Private Calendar on Tues., and bills on Alaska statehood and extension of the Export-Import Bank may be considered next week. pp. 7112-13
7. ADJOURNED until Mon., May 5. p. 7125

SENATE

8. IMPORTS. Passed without amendment H. R. 10112, to make permanent the existing privileges of free importation of guar seed. This bill will now be sent to the President. p. 7038
Passed without amendment H. R. 11407, to extend for two years the law allowing free importation of personal and household goods brought into the United States under Government orders. This bill will now be sent to the President. p. 7038
At the request of Sen. Talmadge, passed over S. 666, to increase the duty on imported wheat treated with poisonous substances which is unfit for human consumption. p. 7029
Passed as reported H. R. 2151, to suspend for 3 years the import duties on certain coarse wools. p. 7038
9. WOOL PRICE SUPPORTS. At the request of Sen. Clark, passed over S. 2861, to extend for 4 years additional the National Wool Act of 1954. p. 7033
10. WILDLIFE. At the request of Sen. Talmadge, passed over S. 2617, to authorize the purchase of wetlands and small areas for migratory bird sanctuaries. p. 7031
11. PERSONNEL. At the request of Sen. Talmadge, passed over H. R. 4640, to amend the Civil Service Retirement Act to permit persons transferring to Non-Act positions to retain voluntary contribution accounts. p. 7031
At the request of Sen. Clark, passed over S. 3195, to authorize certain retired personnel of the U. S. Government to accept and wear decorations, presents, and other gifts from certain foreign countries. p. 7031
12. PACKERS. At the request of Sen. Talmadge, passed over S. 1356, to transfer certain functions under the Packers and Stockyards Act from this Department to FTC. p. 7033
13. AREA REDEVELOPMENT. At the request of Sen. Clark, passed over S. 3683, to provide for area redevelopment program. p. 7039
14. RECLAMATION. At the request of Sen. Hruska and Sen. Talmadge, passed over S. Res. 299, to accelerate construction of various reclamation projects in 17 Western States. p. 7041
15. TEXTILES. At the request of Sen. Talmadge, passed over S. Res. 287, to authorize a study of the textile industry (p. 7035). This measure later was made the Senate's unfinished business (p. 7042).

MEMBERSHIP RIGHTS

SEC. 6. (a) Any person who has been awarded the Medal of Honor is eligible for membership in the society.

(b) Honorary memberships shall not be granted.

(c) Each member of the corporation shall have the right to one vote either in person or by proxy on each matter submitted to a vote at all meetings of the members of the corporation.

GOVERNING BODY; COMPOSITION; TENURE

SEC. 7. (a) The governing body of the corporation is its board of directors which during the year 1958 will comprise the following: President, David M. Shoup; executive vice president, Joel T. Boone; secretary-treasurer, Samuel I. Parker; first regional vice president, Nicholas Oresko; second regional vice president, Luther Skaggs; third regional vice president, Rufus G. Herring; fourth regional vice president, Nathan Gordon; fifth regional vice president, Joseph J. McCarthy; sixth regional vice president, Pierpont M. Hamilton; who currently hold such offices in the Congressional Medal of Honor Society of the United States of America.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than nine), shall be elected in such manner (including the filling of vacancies) and shall serve their terms as may be prescribed in the bylaws of the corporation.

(c) The board of directors may exercise, or provide for the exercise of, the powers herein granted to the corporation, and each member of the board shall have one vote upon all matters determined, except that if the offices of secretary and treasurer are combined and are held by one person, he shall have only one vote as a member of the board of directors. The board shall meet at least annually. The president of the corporation shall act as chairman of the board.

OFFICERS; POWERS; ELECTION; TENURE

SEC. 8. (a) The officers of the corporation shall consist of a president, executive vice president, secretary, treasurer, and six regional vice presidents as may be provided in the bylaws. The office of secretary may be combined with the office of treasurer and the combined offices may be held by one person.

(b) The officers shall have such powers consistent with this charter, as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and with such duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporation. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the payment of appropriate aid to persons to whom the Medal of Honor has been awarded, their widows or their children pursuant to the objects of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to an officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation and its officers and directors as such shall not contribute to or participate in, directly or indirectly, local or national political activity or in any manner attempt to influence legislation.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR ISSUANCE OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors or committees having authority under the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS; REPORT TO CONGRESS

SEC. 14. (a) The financial transactions of the corporation shall be audited annually by an independent certified accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than March 1 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities; (2) capital and surplus or deficit; (3) surplus or deficit analyses; (4) income and expenses; and (5) sources and application of funds. The report shall not be printed as a public document.

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation and after discharge or satisfaction of all outstanding obligations and liabilities the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with the bylaws of the corporation and all Federal and State laws applicable thereto.

TRANSFER OF ASSETS FROM PRIOR CORPORATION

SEC. 16. The corporation may acquire the assets of the Congressional Medal of Honor Society of the United States, Inc., a body corporate organized under the laws of the State of New York, upon discharge or satisfactorily providing for the payment and discharge of all of the liabilities of such State corporation and upon complying with all the laws of the State of New York applicable thereto.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this act is expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to incorporate the Congressional Medal of Honor Society of the United States of America."

TAKA MOTOKI

The bill (S. 2034) for the relief of Taka Motoki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Taka Motoki, the fiancée of Clyde K. Crisler, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided,* That the administrative authorities find that the said Taka Motoki is coming to the United States with a bona fide intention of being married to the said Clyde K. Crisler and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Taka Motoki, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Taka Motoki, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Taka Motoki as of the date of the payment by her of the required visa fee.

WAIVER OF CERTAIN PROVISIONS OF THE NATURALIZATION ACT

The Senate proceeded to consider the joint resolution (H. J. Res. 553) to waive certain provisions of section 212 (a) of the Immigration and Naturalization Act on behalf of certain aliens, which had been reported from the Committee on the Judiciary, with an amendment, on page 1, after line 10, to strike out:

Sec. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Nachum Pfeifenmacher may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That unless the beneficiary is entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

And, in lieu thereof, to insert:

Sec. 2. Notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Nachum Pfeifenmacher and Sheu Shel Lan may be issued visas and be admitted to the United States for permanent residence if they are found to be otherwise admissible under the provisions of that act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of

Health, Education, and Welfare, may deem necessary to impose: *Provided*, That, unless the beneficiaries are entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited in each case as prescribed by section 213 of the Immigration and Nationality Act.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

FREE IMPORTATION OF ARTICLES FOR EXHIBITION PURPOSES

The joint resolution (H. J. Res. 556) to permit articles imported from foreign countries for the purpose of exhibition at the California International Trade Fair and Industrial Exposition, Los Angeles, Calif., be admitted without payment of tariff, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

EXEMPTION FROM DUTY OF CERTAIN PISTOLS AND REVOLVERS

The bill (H. R. 1126) to amend the Tariff Act of 1930, to exempt from duty pistols and revolvers not using fixed ammunition was considered, ordered to a third reading, read the third time, and passed.

RATE OF DUTY ON HARPSICHORDS AND CLAVICHORDS

The bill (H. R. 5208) to amend paragraph 1541 of the Tariff Act of 1930, as amended, to provide that the rate of duty in effect with respect to harpsichords and clavichords shall be the same as the rate in effect with respect to pianos was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF RELIGIOUS VESTMENTS AND REGALIA

The bill (H. R. 7516) to amend the Tariff Act of 1930 so as to permit the importation free of duty of religious vestments and regalia presented without charge to a church or to certain religious, educational, or charitable organizations was considered, ordered to a third reading, read the third time, and passed.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN ALUMINA AND BAUXITE

The bill (H. R. 9917) to continue the temporary suspension of duty on certain alumina and bauxite was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION UNDER BOND FOR EXPORTATION OF ARTICLES TO BE REPAIRED

The bill (H. R. 9923) to amend the Tariff Act of 1930 to permit temporary free importation under bond for exportation of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

tation of articles to be repaired, altered, or otherwise processed under certain conditions, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF GUAR SEED

The bill (H. R. 1011) to make permanent the existing privilege of free importation of guar seed was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DUTIES ON CERTAIN LATHES

The bill (H. R. 10792) to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing was considered, ordered to a third reading, read the third time, and passed.

FREE IMPORTATION OF PERSONAL AND HOUSEHOLD EFFECTS

The bill (H. R. 11407) to extend for 2 years the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 358) to increase the monthly rate of pensions payable to widows and former widows of deceased veterans of the Spanish American War, including the Boxer Rebellion and the Philippine Insurrection.

Mr. CLARK. Over.

Mr. FREAR. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania withhold his objection?

Mr. CLARK. I am glad to do so.

Mr. FREAR. I did not understand who objected.

Mr. CLARK. It was the feeling of the calendar committee that inasmuch as the bill calls for an appropriation of \$12 million, it should not be handled on the call of the calendar, but should be taken up on motion at the proper time.

Mr. FREAR. Does the Senator from Pennsylvania think it will cost any less at that time than it would now?

Mr. CLARK. I anticipate that at that time other Senators who do not happen to be in the Chamber at the moment, and whose judgment may not agree with that of the calendar committee, will have an opportunity to be heard.

The PRESIDING OFFICER. Is the objection renewed?

Mr. CLARK. Objection is renewed.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FREAR subsequently said: Mr. President, did the Chair announce that the bill would be passed over, or passed to the foot of the calendar?

The PRESIDING OFFICER. As the Chair understood the request, it was that the bill be passed over, as not being proper business to transact on the call of the calendar.

Mr. CLARK. Mr. President, it is my understanding that the bill was passed over, and not passed to the foot of the calendar.

I invite the attention of my friend from Delaware to the fact that the majority leader stated earlier in the day that he hoped to be able to take the bill up on motion before the conclusion of today's business.

Mr. FREAR. Can the Senator from Pennsylvania give any assurance that that will be done?

Mr. CLARK. All I can do is to relay to my friend from Delaware the statement of the majority leader. I have implicit faith in the majority leader.

Mr. FREAR. If I did not have, I would be denying something that I would not be willing to deny.

SUSPENSION OF IMPORT DUTIES ON CERTAIN COARSE WOOL

The Senate proceeded to consider the bill (H. R. 2151) to suspend for 3 years the import duties on certain coarse wool, which had been reported from the Committee on Finance, with amendments, on page 2, line 5, after the word "the", to strike out "three year"; in line 7, after the word "act", to insert "and ending at the close of June 30, 1960"; and, after line 8, to insert:

SEC. 3. Section 101 (c) of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) is amended by striking out "March 1, 1958" and inserting in lieu thereof "January 1, 1969."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules."

FREE IMPORTATION OF AMORPHOUS GRAPHITE—BILLS PASSED OVER

The bill (H. R. 2783) to amend the Tariff Act of 1930, to provide for the free importation of amorphous graphite was announced as next in order.

Mr. CLARK. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FREAR subsequently said: Mr. President, returning for a moment to Calendar No. 1518, House bill 2783, which was passed over on objection by the Senator from Pennsylvania, I ask unanimous consent that instead of the bill being passed over, it be passed to the foot of the calendar.

Mr. CLARK. Mr. President, the bill was passed over at the request of another Senator. I shall be glad to advise my friend from Delaware, off the floor, who that Senator is.

Mr. FREAR. The Senator from Delaware knows who that Senator is. The Senator from Delaware is trying to secure his presence in the Chamber. I do

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued May 6, 1958
For actions of May 5, 1958
85th-2d, No. 70

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HIGHLIGHTS: See page 5.

HOUSE

1. COTTON. The Agriculture Committee reported without amendment H. R. 11399, to fix the price support for extra long staple cotton at a level between 60 per cent of parity and not in excess of the parity price for the 1956 crop (H. Rept. 1691). p. 7234
2. LIVESTOCK DISEASES. The Agriculture Committee ordered reported H.R. 12126, to "provide further protection against the introduction and dissemination of livestock diseases." p. D384
3. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "approved watershed projects in the following States: Georgia, Indiana, Mississippi, North Carolina, and Oregon." p. D384
4. WHEAT IMPORTS. A subcommittee of the Agriculture Committee ordered reported with technical amendment H. R. 11581, to increase the duty on imported wheat seed treated with poisonous substances which is unfit for human consumption. p. D384
5. SOIL BANK. Passed without amendment S. 2937, to compensate producers for hardships suffered under the 1956 soil bank program as a result of incorrect information furnished by county committees. A similar bill, H. R. 10114, was laid on the table. This bill will now be sent to the President. p. 7179
6. LIVESTOCK LOANS. Passed without amendment H. R. 11424, to extend for 2 years (through 7-14-61) the authority of the Secretary to extend or make supplementary advances in connection with special livestock loans. p. 7180

7. WOOL IMPORTS. Agreed to the Senate amendments to H. R. 2151, to suspend for two years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets. This bill will now be sent to the President. p. 7183
8. LAND WITHDRAWALS. Received from the Director, Alaska Department of Fish and Game, a letter "relative to a policy statement on land withdrawals by the Alaska Fish and Game Commission, Territory of Alaska." p. 7234
9. FOOD ADDITIVES. Received a Columbus, O., citizens petition urging the enactment of legislation to regulate the use of chemical additives in food. p. 7245
10. FOREIGN TRADE. Rep. Dorn stated that the American Legion opposes extension of the reciprocal trade program, and inserted a resolution adopted by the national executive committee of the Legion urging a foreign-trade policy "that will prevent the injury to or liquidation of industries essential to the defense and the economic welfare of this country." p. 7195
11. FLOOD CONTROL. Rep. Mack and others spoke in favor of the enactment of a river and harbors and flood control bill with the deletion of projects to which the President is opposed. pp. 7224-9

SENATE

12. FORESTRY. The Interior and Insular Affairs Committee reported with amendments S. 3051, to provide alternatives of either private or Federal acquisition of the part of the Klamath Indian forest lands which must be sold under the termination act (S. Rept. 1518). p. 7128.
Sen. Neuberger inserted 3 editorials favoring Federal acquisition of the Klamath forest lands. pp. 7147-8
Sen. Neuberger inserted a letter from the Trustees for Conservation stating that the wilderness preservation bills would carry out the multiple use program. pp. 7148-9
13. APPROPRIATION. Both Houses received from this Department a report prior to restoration of balances to the appropriation, "Salaries and Expenses Farmers' Home Administration," as of Mar. 31, 1958. pp. 7128, 7234.
14. INFORMATION. The Constitutional Rights Subcommittee ordered reported to the Judiciary Committee without amendment S. 921, to prevent use of 5 U.S.C. 22 to withhold information. p. D382
15. PRICE SUPPORTS; ACREAGE ALLOTMENTS. Sen. Neuberger inserted a letter from the National Ass'n of Wheat Growers and a telegram from 3 Democratic county chairmen, urging him to vote to over-ride the President's veto of the farm freeze measure. pp. 7149-50
16. STATEHOOD. Sen. Church urged statehood for Alaska, with comment and discussion by Sens. Neuberger, Knowland, Thye, Case (S.D.), Proxmire, Carroll, Anderson, and Yarborough. pp. 7162-75
17. TRANSPORTATION. Sen. Langer urged action by Congress to aid the railroads. pp. 7134-5
18. COMMITTEES. Sen. B. Everett Jordan, the new Senator from N. C., was assigned to the Post Office and Civil Service Committee and the Public Works Committee. pp. 7127-8

a thorough reexamination. The last major revision of the rules was effected in that year. The Supreme Court then had the assistance of an advisory committee composed of outstanding members of the legal profession which was retained on a continuing basis until 1956.

Enactment of H. R. 10154 will insure that the rulemaking process is performed on a continuing basis by a permanent and well-established body. It is contemplated that the Judicial Conference, which is made up entirely of members of the judiciary, will seek the aid of advisory groups comprised of capable practicing lawyers who are working with the rules every day. In addition, such groups would include law-school professors, State judges, and legal scholars.

By enactment of this bill to subject the rules of procedure to continuous reexamination by the Judicial Conference, we can reduce the danger that our judicial procedure might become unworkable or outmoded, alleviate the burden upon the Supreme Court, and promote the fair and expeditious administration of justice.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUSPENDING IMPORT DUTIES ON CERTAIN COARSE WOOL

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2151) to suspend for 3 years the import duties on certain coarse wool, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "3-year."

Page 2, line 7, after "act" insert "and ending at the close of June 30, 1960."

Page 2, after line 7, insert:

"Sec. 3. Section 101 (c) of the Customs Simplification Act of 1954 (Public Law 768, 83d Cong.) is amended by striking out 'March 1, 1958' and inserting in lieu thereof 'January 1, 1959.'"

Mr. MILLS. Mr. Speaker, there are two amendments adopted by the Senate in this bill. One amendment reduces from 3 years to 2 years the period of suspension in the bill. The second amendment extends until January 1, 1959, the date for the submission of the report by the United States Tariff Commission on its comprehensive study of tariff classification laws, pursuant to section 101 of the Customs Simplification Act of 1954.

Mr. Speaker, as may be recalled, the purpose of H. R. 2151, in the form in which it passed the House of Representatives in the early part of this session, was to suspend for a period of 3 years the import duties on certain coarse wools imported under bond for use in the manufacture of rugs and carpets and certain other products.

The Senate amended this bill in two respects. First, instead of providing for a suspension for 3 years on the subject duties, the bill was amended to limit the effective period of the suspension to June 30, 1960; beginning, as did the House bill, on the 60th day after the date of enactment. In other words, the bill in effect would now provide for a suspension of the duties for a period of 2 years instead of 3 years, as was the case under the House bill.

Second, the Senate added a provision to extend until January 1, 1959, the date for the submission of a report by the United States Tariff Commission on its comprehensive study of tariff classification laws pursuant to section 101 of the Customs Simplification Act of 1954, as amended. Your committee received a letter from the Chairman of the United States Tariff Commission which was identical to a letter received by the Senate Finance Committee from the Chairman of the Tariff Commission requesting this extension of time for the submission of the subject report. The letter stated that, while the Commission had completed the major portion of the study, the pressure of other work has been such that more time will be needed to complete the study if it is to receive the attention which such a project deserves. The letter further stated:

As matters now stand, there is every reason to believe that the completed study can be submitted to the Congress and to the President well ahead of the convening of the next Congress in January 1959.

The foregoing were the only amendments made in the Senate, with the exception of a conforming change in the title of the bill.

(Mr. REED asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED. Mr. Speaker, this legislation as it passed the House of Representatives suspended for a period of 3 years certain import duty applicable to wools used in the manufacture of carpet. The Senate has amended this legislation to provide that the period of the suspension shall be for 2 years. In addition, the Senate has amended the bill so that the United States Tariff Commission will have until January 1, 1959, to submit to the Congress its report with respect to tariff reclassification required under the Customs Simplification Act of 1954. I have concurred in urging the House to accept these Senate amendments.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules."

ARTICLES FOR EXHIBITION AT THE KENTUCKY STATE FAIR ADMITTED WITHOUT PAYMENT OF TARIFF

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11019) to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., to be admitted without payment of tariff, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

On page 4, after line 5, insert:

"SEC. 7. Any article which is imported from a foreign country for the purpose of exhibition at the International Trade Exhibition to be held at St. Paul, Minn., from May 7, 1958, to May 18, 1958, inclusive, by the Minnesota Centennial Festival of Nations, or for use in constructing, installing, or maintaining foreign exhibits at the International Trade Exhibition, upon which article there is a tariff or customs duty, shall be admitted without payment of such tariff or customs duty or any fees or charges under such regulations as the Secretary of the Treasury shall prescribe. Each provision of sections 1 to 6, inclusive, of this act shall apply with respect to the International Trade Exhibition and all rights and privileges extended by such sections and all duties and obligations imposed thereby and each and every requirement thereof shall extend to the Minnesota Centennial Festival of Nations, which shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the authority of this section."

(Mr. MILLS asked and was given permission to extend his remarks at this point in explanation of the bill.)

Mr. MILLS. Mr. Speaker, the purpose of H. R. 11019, in the form in which it passed the House of Representatives, was to permit the entry, free of duty, of articles imported for exhibition at the Kentucky State Fair to be held at Louisville, Ky., from September 4 to 13, 1958.

In the United States Senate an additional section was added to this bill so as to provide for the entry, free of duty, in a similar manner, of articles imported for exhibition at the International Trade Exhibition to be held at St. Paul, Minn., from May 7, 1958, to May 18, 1958, inclusive, by the Minnesota Centennial Festival of Nations.

The only other amendment made to the bill in the Senate was conforming change in the title of the bill.

(Mr. REED asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED. Mr. Speaker, I have concurred in urging House agreement to the Senate amendments to H. R. 11019. It will be recalled that the House-passed version of this legislation authorized the duty-free entry of articles for exhibition at the Kentucky State Fair to be held in September of 1958.

The Senate has amended this legislation so as to accord a similar duty-free privilege with respect to articles to be exhibited at the International Trade

Exhibition to be held in St. Paul, Minn., this month.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas [Mr. MILLS]?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

The title was amended so as to read: "An act to permit articles imported from foreign countries for the purpose of exhibition at the Kentucky State Fair, to be held at Louisville, Ky., and the International Trade Exhibition, to be held at St. Paul, Minn., to be admitted without payment of tariff, and for other purposes."

SUSPENSION OF DUTIES ON METAL SCRAP

Mr. MILLS. Mr. Speaker, ask unanimous consent for the immediate consideration of the bill (H. R. 10015) to continue until the close of June 30, 1959, the suspension of duties and import taxes on metal scrap, and for other purposes.

The Clerk read the title of the bill.

(Mr. MILLS asked and was given permission to revise and extend his remarks at this point.)

Mr. MILLS. Mr. Speaker, as is pointed out in detail in the committee report, the purpose of H. R. 10015, as amended by the Committee on Ways and Means, is to amend section 2 of Public Law 869, 81st Congress, as amended, to continue for 1 year—from the close of June 30, 1958, to the close of June 30, 1959—the suspension of duties on certain metal scrap. The bill contains the existing proviso that the suspension shall not apply to certain types of scrap, which is specifically named, such as lead scrap, zinc scrap, and tungsten scrap. I would like to emphasize that the bill, as reported, also provides that the suspension shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954.

The temporary suspension of the duties on imports of metal scrap provided under present law to June 30, 1958, makes free of duty imports of metal scrap including such principal types of scrap as iron and steel, aluminum, magnesium, nickel, and nickel alloys. As I have said, H. R. 10015 would continue this suspension through June 30, 1959. The suspension of duties as provided under present law and its proposed extension under this bill are of no significance with respect to the tariff treatment of imports of tin and tinplate scrap, because imports of such scrap, along with imports of tin in other unmanufactured forms, would not be subject to duty or import taxes in any case.

Section 2 of the bill, as reported, provides that this suspension shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954. In general, section 4541 of the Internal Revenue Code of 1954 imposes an import tax on certain copper-bearing ores and concentrates, other articles of which copper is the component material of chief value, and other articles containing 4 percent or more of copper by weight.

Scrap of the various nonferrous metals, whether imported or of domestic origin, may be considered for most purposes simply as relatively small components in the total United States supplies of the respective metals, although some manufacturers depend wholly on metal scrap as a source of raw material.

The Committee on Ways and Means received favorable reports on the bill from the Departments of the Treasury, State, Interior, Defense, Commerce, and Labor. A favorable report was also received from the Director of the Office of Defense Mobilization.

The Committee on Ways and Means was unanimous in urging the enactment of H. R. 10015.

(Mr. REED asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. REED. Mr. Speaker, as explained by the distinguished chairman of the House Committee on Ways and Means, this legislation on which the House has just taken favorable action would continue through June 30, 1959, the duty suspension on certain metal scrap. Under existing law the suspension is scheduled to terminate on June 30, 1958. The bill further provides that the suspension shall not be applicable to articles provided for in section 4541 of the Internal Revenue Code of 1954, such as copper-bearing ores and concentrates.

(Mr. CEDERBERG (at the request of Mr. REED) was granted permission to extend his remarks at this point.)

[Mr. CEDERBERG'S remarks will appear hereafter in the Appendix.]

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the first sentence of section 2 of the act of September 30, 1950 (Public Law 869, 81st Cong.), is hereby amended by striking out "June 30, 1958" and inserting in lieu thereof "June 30, 1959": *Provided,* That this act shall not apply to lead scrap, lead alloy scrap, antimonial lead scrap, scrap battery lead or plates, zinc scrap, or zinc alloy scrap, or to any form of tungsten scrap, tungsten carbide scrap, or tungsten alloy scrap; or to articles of lead, lead alloy, antimonial lead, zinc, or zinc alloy, or to articles of tungsten, tungsten carbide, or tungsten alloy, imported for remanufacture by melting.

Sec. 2. The amendment made by the first section of this act shall not be construed to affect in any way the application of Public Law 38, 82d Congress, to copper scrap.

With the following committee amendments:

Page 2, line 4, strike out section 2 and insert:

"Sec. 2. This act shall not apply to any article provided for in section 4541 of the Internal Revenue Code of 1954."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to continue until the close of June 30, 1959, the suspension of duties on metal scrap, and for other purposes."

A motion to reconsider was laid on the table.

AMENDING SECTION 314 (C) OF THE PUBLIC HEALTH SERVICE ACT

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to vacate proceedings under suspension of the rules held 2 weeks ago on the bill (H. R. 11414) to amend section 314 (c) of the Public Health Service Act, so as to authorize the Surgeon General to make certain grants-in-aid for the support of public or nonprofit educational institutions which provide training and services in the fields of public health and in the administration of State and local public health programs.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill H. R. 11414, with amendments.

The Clerk read the bill, as follows:

Be it enacted, etc., That the last sentence of subsection (c) of section 314 of the Public Health Service Act, as amended (42 U. S. C. 246 (c)), is amended by inserting "(1)" immediately after "available", and by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and (2) an amount, not to exceed \$1 million to enable the Surgeon General to make grants-in-aid, under such terms and conditions as may be prescribed by regulations, for provision in public or nonprofit schools of public health accredited by a body or bodies recognized by the Surgeon General, of comprehensive professional training, specialized consultive services, and technical assistance in the fields of public health and in the administration of State and local public health programs, except that in allocating funds made available under this clause (2) among such schools of public health the Surgeon General shall give primary consideration to the number of federally sponsored students attending each such school."

Sec. 2. The amendment made by the first section of this act shall be applicable only to the fiscal years beginning July 1, 1958, and July 1, 1959.

The SPEAKER pro tempore. Is a second demanded?

Mr. NEAL. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arkansas [Mr. HARRIS] will be recognized for 20 minutes and the gentleman from West Virginia [Mr. NEAL] for 20 minutes.

Mr. HARRIS. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this bill—H. R. 11414—was called up under suspension 2 weeks ago, but due to the situation existing at that time it was not completed. In the interim there has been some discussion with reference to clarifying amendments which would make the bill more acceptable.

The reason for request this morning to vacate the proceedings of 2 weeks ago is for the purpose of offering amendments to the bill in order that it will be more acceptable and, as we believe, more in the public interest.

The subcommittee held hearings on the bill. It was considered by the sub-

Public Law 85-418
85th Congress, H. R. 2151
May 19, 1958

AN ACT

72 Stat. 120.

To provide for the temporary suspension of the import duties on certain coarse wool, and to provide additional time for the Tariff Commission to review the customs tariff schedules.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of paragraph 1101 (b) of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1001, par. 1101 (b)) is amended—

Wool.
Suspension
of duties.
52 Stat. 1091.

(1) by inserting after the word “foregoing” the following: “and all other wools of whatever blood or origin not finer than 46s”; and

(2) by inserting before the period at the end thereof a colon and the following: “*Provided*, That a tolerance of not more than 10 per centum of wools not finer than 48s may be allowed in each bale or package of wools imported as not finer than 46s”.

SEC. 2. The amendments made by this Act shall be effective only with respect to wool entered, or withdrawn from warehouse, for consumption, during the period beginning on the sixtieth day after the date of the enactment of this Act and ending at the close of June 30, 1960.

Effective
date.

SEC. 3. Section 101 (c) of the Customs Simplification Act of 1954 (Public Law 768, Eighty-third Congress) is amended by striking out “March 1, 1958” and inserting in lieu thereof “January 1, 1959”.

63 Stat. 1136.
19 USC 1332
note.

Approved May 19, 1958.

